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EDUCATION AND YOUTH EMPLOYMENT IN THE FEDERAL REPUBLIC OF GERMANY

Klaus von Dohnanyi

A STUDY PREPARED FOR THE
CARNEGIE COUNCIL ON POLICY STUDIES
IN HIGHER EDUCATION

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Education and Youth Employment in Contemporary Societies

A Series of Special Studies

BELGIUM *Henri Janne*	GREAT BRITAIN *Stuart Maclure*
JAPAN *Hidetoshi Kato*	MEXICO AND SOUTH ASIA *Alberto Hernández Medina, Carlos Muñoz Izquierdo, Manzoor Ahmed*
POLAND *Barbara Liberska*	SWEDEN AND DENMARK *Gösta Rehn, K. Helveg Petersen*

FEDERAL REPUBLIC OF GERMANY
Klaus von Dohnanyi

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Foreword

This is one of seven publications presenting studies commissioned by the Carnegie Council on Policy Studies in Higher Education as a means of providing a global perspective for education and youth employment in contemporary societies. The remaining publications will be concerned with education and youth employment in Belgium, by Henri Janne; Mexico and South Asia, by Alberto Hernández Medina and Carlos Muñoz Izquierdo and Manzoor Ahmed, respectively; Poland, by Barbara Liberska; Great Britain, by Stuart Maclure; Sweden and Denmark, by Gösta Rehn and K. Helveg Petersen, respectively; and Japan, by Hidetoshi Kato. Margaret S. Gordon, associate director of the Carnegie Council on Policy Studies in Higher Education, is the general editor of the series. To the authors of these studies, and to Klaus von Dohnanyi, whose work appears in this volume, we express our deep appreciation.

The German Marshall Fund generously provided support for two international conferences on education and youth employment which were attended by several of the authors of studies for this series and which have contributed significantly to the Council's deliberations on this subject. The International Council for Educational Development, under the direction of James A. Perkins, coordinated the conferences and arranged for the participation of the essayists in this project. We acknowledge these contributions with profound thanks.

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CLARK KERR
Chairman,
Carnegie Council on Policy Studies
in Higher Education

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Social and Economic Background

In recent years the situation of youth in industrialized democracies has become a central political concern, especially in the light of increasing youth unemployment. The fact that young people are forced to experience rejection and superfluousness at the beginning of their careers has led to an increasingly intensive consideration of the problems of youth in all the countries concerned.

To provide a constructive answer to these problems, and especially to the question of youth unemployment, relationships with general social developments cannot be overlooked. The years since World War II have been marked, especially in democratic industrial societies, by extraordinary stability of economic growth and social development until the beginning of the present decade. Since the mid-1970s, this stability seems to have been lost. Once more we experience considerable social tensions. Indeed, if we compare the present situation with the rapid changes precipitated by technical progress and economic expansion in the nineteenth century or in the first half of the twentieth century, the thesis of accelerated social structural changes may no longer be maintained without reservation. Yet there is no doubt—especially in comparison with the stability of the 1950s and 1960s—that we experience the new developments in a particularly sensitive way politically and socially. At the same time, we recognize more distinctly the limits imposed on further industrial development and we seem to feel—perplexed or perhaps just more modest and more experienced than former generations—the limits of our own possibilities of political structuring in a complexly interwoven world society.

Structural change concerns and poses significant problems for all groups in society. One need only think of the drastic changes that old people in particular have to face: largely excluded from the mobile small family, they experience, as a result of a biologically extended life, a feeling of superfluousness and loneliness. This fate already casts its shadow over middle age, with the monotony of working life associated with increasing specialization and with rigid social rules that force termination of occupational activity in the fullness of productivity. "Middle-age crisis" is a fashionable term but not a fashionable problem.

Although the troubles of youth have been discussed a great deal in recent years in the industrial democracies and the problems of youth have been thrust into the foreground, this does not mean that the young suffer objectively more from social change than older generations. Certainly there is juvenile delinquency, drug abuse, juvenile alcoholism, and the problem of dropouts. But the dimensions of these problems can really be recognized only when one considers, for example, the alcoholism of the middle-aged and of the old. The changes we live through, the new difficulties that accumulate, and the resulting prospects are not limited to separate parts of society and therefore cannot be solved for parts of society.

We also must refrain from nostalgic recollections of the "good old days." Whether the gains and losses of industrial progress have really changed the basic balance of human happiness or whether in recent years the assets of progress have been confronted with more and more debits—this is not the object of our study. We are concerned with definable and comprehensible descriptions of the situation of youth in our society and especially with opportunities for employment and education.

If we consider the development of industrial democracies from this broader perspective, it seems that youth is not the great loser but rather the clear winner in developments to date. Never before have youth had such a degree of measurable freedom from repression on the one hand and objective opportunities for personal responsibility and self-realization on the other. The problem of youth unemployment is grave in industrialized societies; yet one should not forget that the problem of child labor was certainly graver. Juvenile delinquency is a provoking problem, and yet one should not forget how earlier generations were affected by drill and coercion. We do not want to underemphasize the problems, but we must measure realities against actual experiences and not merely against hopes and goals.

In this study, we shall attempt to clarify the specific problems of youth in a broader context. Because youth unemployment can be understood only in connection with general labor-market problems, we shall try to illuminate these general problems as a background for the youth unemployment problem and its remedy.

Socioeconomic Changes

Today the Federal Republic of Germany is considered one of the most successful, wealthy, and stable of the democratic industrial nations. In the 1950s the economic miracle of the Federal Republic was marveled at. In the 1960s this development was consolidated, and in the 1970s it was expanded in spite of the world economic crisis. Not only is the Federal Republic the most populous country in Western Europe, but today it also has the highest per capita income after the Scandinavian countries. In 1976, with a Gross National Product (GNP) of nearly $7,300 per capita, it has almost reached the level of the United States ($7,910) (Table 1). The Federal Republic also takes a primary position in the resources of private households and of public institutions, and its social security system is very extensive.

The Federal Republic, however, is very dependent on exports. More than one-fourth of its GNP is created in external economic areas, an extraordinarily high percentage for a relatively large industrial nation, especially when compared with the United States (6.8 percent) and Japan (10.1 percent). This is the more striking when we consider that the share of exports in the Federal Republic is continuing to increase. The country

Table 1. Economic data for countries of the European Free Trade Association, the European Economic Community, United States, and Japan, 1976

Country	*Population (millions)*	*Gross national product per capita (U.S. dollars)*	*Foreign trade as percentage of gross national product*	
			Exports	*Imports*
European Free Trade Association	40.5	$6,072	23.7	27.9
Austria	7.5	5,336	21.2	28.7
Finland	4.7	6,006	22.5	26.2
Iceland	0.2	6,422	28.6	33.4
Norway	4.0	7,612	26.0	36.4
Portugal	9.4	1,545	12.4	29.4
Sweden	8.2	8,972	25.1	26.1
Switzerland	6.4	8,977	25.8	25.7
European Economic Community	258.4	5,351	23.5	24.8
Belgium-Luxemburg	10.2	6,821	47.4	51.0
Denmark	5.1	7,530	23.9	32.6
France	52.7	6,603	16.0	18.5
Germany (Fed. Rep.)	61.8	7,298	22.6	19.5
Ireland	3.1	2,526	41.9	53.1
Italy	55.8	2,944	22.5	26.4
Netherlands	13.7	6,386	44.4	45.8
United Kingdom	56.0	3,863	21.4	25.9
For purposes of comparison				
United States	213.5	7,909	6.8	7.2
Japan	111.6	4,957	10.1	10.5

Source: EFTA Bulletin (reproduced in *Aussenhandelsblatter der Commerzbank*, August 1977).

is also poor in natural resources and imports 63 percent of its energy needs, 95 percent of its crude oil, and 60 percent of its natural gas. It does not own any substantial uranium reserves, and its only significant domestic sources of energy are relatively expensive coal and fairly accessible peat.

In relation to the per capita income of the Federal Republic, the share of its GNP in the industrial (secondary) sector is unusually high (about 57 percent). Expenditures for education reached 6.7 percent of GNP, including net expenses of business for vocational training, in 1975. Nearly 19 percent of young people continued education at the upper-secondary level in 1975, while the percentage of the age group enrolling in universities and colleges was nearly 20 percent in 1976.

The average age of the population of the Federal Republic is relatively high. More than 14 percent are 65 years of age and older, while more than 19 percent are 60 and older. The number of births declined from 1.1 million in 1963 to 0.6 million in 1975. In 1976, the birth rate showed a slight increase for the first time in many years. The native German population has declined slightly since 1971, and it is expected that the German population will have decreased to 60.4 million by 1990, compared with 61.5 million today.

About 3.8 million registered foreigners, comprising about 6.2 percent of the population, live in the Federal Republic. Almost all of them have come as *Gastarbeiter* (guest workers) or family members of such workers. Since 1974, the number of foreign residents has decreased by 250,000 as a result of employment policies and increasing unemployment.

The employment rate of the total population is decreasing. In 1976 it was 41.8 percent, compared with 46.9 percent in 1962–55.1 percent for men and 29.7 percent for women. Among young men 15 to 19, it was 57.2 percent in 1975, and among those 20 to 24, it was 79.9 percent. For women, the corresponding figures were 50.6 and 68.4 percent. The proportion of foreigners among all workers was 7.5 percent in 1976, compared with 8.7 percent in 1973. In 1975, about 7.5 percent of the labor force was employed in agriculture (the primary sector), while the industrial (secondary) sector employed about 47.5 percent and the services (tertiary) sector about 45.0 percent, including public employment.

During the world economic recession in 1974–75, real GNP decreased by 2.5 percent; in 1976 there was an increase of 5.7 percent, and a relatively low rise of 3.5 percent was expected in 1977. Since 1973, about 1.2 million jobs–or 5.4 percent of the total–have disappeared. Of these, 400,000 were held by foreign workers. Total employment declined from 26.7 million in 1973 to 25.7 million in 1976, on an annual average basis. The average annual unemployment rate in 1973 was 1.2 percent, while in September 1977 it was 4.0 percent. The average for 1977 was expected to be 4.5 percent. Among young people 15 to 19, the unemployment rate in 1976 was 4.6 percent, while among those 20 to 24 it was 6.0 percent—higher than for any other age group except those aged 55 and older.[1] Although the labor situation improved in 1976, the year 1977 showed again a slight increase in unemployment rates for all age groups.

In the 28 years of its existence, the Federal Republic has had five government heads, an indication of comparatively high political stability. Although the country is considered to be remarkably stable economically and socially in comparison with most other democratic industrial nations, certain distinguishing features of other highly industrial nations are becoming more pronounced here as well. Rising alcohol consumption, a rising divorce rate, an increasing crime rate, and a relatively high suicide rate should be mentioned. Also in recent months a politically motivated terrorism has developed in the Federal Republic. The Japanese social scientist, Nagasada Miawaki (1976), proposed the construction of a "negative index of affluence" (*anomie* index) and placed the Federal Republic second only to the United States among five comparable countries (Table 2).

Signs of Structural Change

Increasing unemployment during the world economic recession of 1974–75 in the democratic industrial nations was linked with problems of business cycles and of world economic development. Yet it is questionable whether the oil crisis of 1973 and the subsequent world economic recession can be chosen as the point of departure for an analysis of the unemployment problems of these countries. Already in the 1960s there were signs

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[1] The data are based on special investigations conducted in May. They are official German (unadjusted) rates and differ from rates that have been adjusted to U.S. or international concepts.

Table 2. Ranks in indexes of anomie in five countries

Type of index	*Japan*	*United States*	*United Kingdom*	*Germany (Fed. Rep.)*	*France*
Crime rate	4	1	3	2	
Strikes (lost days of work)	4	2	1	5	3
Accidents					
Death rate per 100,000 population	4	1	5	2	3
Death rate per 1,000 autos	1	5	4	2	3
Unemployment rate	3	1	2	4	
Divorce rate	5	1	2	3	4
Diabetes rate (per 100,000 population)	5	2	4	1	3
Venereal diseases					
Syphilis rate (per 100,000 population)	4	1	2		3
Gonorrhea rate (per 100,000 population)	4	2	3		1
Suicide	2	4	5	1	3

Source: Nagasada Miawaki

of less favorable economic developments: growth rates declined, inflation accelerated, unemployment rose, and political radicalism made itself loudly heard. In the early 1970s, these tendencies were concealed by a strong economic upswing, but then the oil crisis exposed what today must be considered a development that started much earlier and largely independent of the rise in the cost of oil.

To point out these long-term tendencies is not to underrate the importance of the oil crisis but rather to call for extending the diagnosis to the deeper causes, improving the probability of a successful therapy. A successful struggle against youth unemployment—and against unemployment in general—depends on correct assessment of the structural causes of unemployment and of future developments. The same applies to reform of the relationships between the educational system and the labor market. For this reason, it is important that unemployment not be misunderstood to be primarily the result of payment crises caused by the rise in the cost of energy or even by a normal cyclical fluctuation in the world economy. The most essential causes must rather be sought in deep internal contradictions of industrial societies and of world-wide conflicts between poor and rich countries. This is certainly not the place for a comprehensive analysis of these causes, but the unfavorable pre-1973 economic developments that we have mentioned were the result of an uncontrolled worldwide interdependence and especially of the system of fixed exchange rates. In connection with these unfavorable developments, the Federal Republic of Germany tended to be in an extraordinarily favorable position in most years. Yet it must be recognized that these developments have not left the situation in the Federal Republic untouched. Moreover, the citizens of the Federal Republic react to even small economic fluctuations much more critically than do those of other industrial countries.

The structural economic changes in the democratic industrial countries will be described more specifically as they relate to the Federal Republic. Table 3 shows that, in spite of a rela-

Table 3. Average annual rates of change in the gross national product and its components, 1951–55 to 1971–75

Periods	*Private consumption*	*Public expenditure*	*Gross capital investment*	*Gross national product*
		In current prices		
1951–55	11.1%	11.4%	18.0%	13.2%
1956–60	8.7	9.7	10.2	9.4
1961–65	8.5	11.3	11.0	8.8
1966–70	7.4	9.3	8.8	8.4
1971–75	9.5	15.2	4.2	8.8
		In 1962 prices		
1951–55	8.9	5.4	12.9	9.4
1956–60	6.8	5.7	6.9	6.6
1961–65	5.4	4.4	6.8	5.0
1966–70	4.6	3.0	4.8	4.8
1971–75	3.0	4.8	-0.9	1.8

tively high nominal rate of growth of GNP prior to 1971–75, the real rate of growth fell continuously after the first five years of the Bonn Republic. From a real rate of 9.4 percent in 1951–55, the rate gradually fell to 1.8 percent in 1971–75.

Those who look for the cause of the slowing rate of growth primarily in a decreasing investment rate, as so often happens in discussions in the Federal Republic, will be surprised by the statistically demonstrable stability of investment rates. Table 4 shows clearly that in 1971–75 the share of investment in the GNP actually remained unchanged, although in the early 1970s the rate was higher and in 1975 and 1976 somewhat lower. The table also shows the structural changes that were associated with the termination of postwar reconstruction: the rate of investment in construction dropped, while that of investment in equipment rose. The continual increase in the share of foreign trade—both exports and imports—in GNP is also indicated. With respect to employment, this dependency on foreign trade is of central significance.

Table 4. Average changes in the shares of selected components of the gross national product, in 1962 prices, 1951–55 to 1971–75

Component	*1951–55*	*1956–60*	*1961–65*	*1966–70*	*1971–75*
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Private consumption	55.3	55.9	56.7	56.6	57.9
Public expenditures	15.8	13.6	14.5	13.6	14.0
Gross capital investment	22.0	24.2	26.3	25.3	25.1
Investment in equipment	8.9	9.9	11.6	11.6	12.6
Investment in construction	13.1	14.3	14.7	13.6	12.5
Exports	15.5	21.4	19.9	25.6	33.2
Imports	10.6	16.8	18.9	23.0	30.7

Source: Federal Statistical Office.

The Federal Republic differs from other highly developed industrial nations in one aspect of its development: While as a rule the service sector tends to increase its share of GNP at the expense of the industrial sector, so far this development has hardly occurred in the Federal Republic. As shown in Table 5, the share of the industrial sector (over 56 percent in recent years) actually rose slightly from 1966–1970 to 1971–1975. This state of affairs is extremely important in explaining unemployment in the country today.

Table 5. Shares of the major economic sectors in the gross domestic product, averages for 1951–55 to 1971–75

Years	*Total*	*Primary sector*[a]	*Secondary sector*[b]	*Tertiary sector*[c]	*Government*
1951–55	100.0%	8.1%	48.8%	34.2%	8.9%
1956–60	100.0	6.1	52.2	34.0	7.7
1961–65	100.0	4.9	54.9	32.8	7.4
1966–70	100.0	4.3	56.3	32.1	7.3
1971–75	100.0	3.9	56.6	32.1	7.4

[a] Agriculture and forestry
[b] Manufacturing, construction, energy economy, and mining
[c] Service industries without government

Source: Federal Statistical Office.

In fact, with the exception of agriculture, the industrial sector, which increased its share of GNP in the 1971–75 period, also experienced the greatest increase in productivity. Table 6 shows that the rise in productivity in the secondary sector from 1950 on was especially significant in comparison with the government sector. Whereas in 1950 the Gross Domestic Product (GDP) per man-hour in 1962 picas was 3.25 DM in the secondary sector and was clearly lower than in government, by 1975 this situation had changed radically. In the latter year, productivity in the secondary sector was 15.19 DM, compared with only 6.74 DM in government.

The result is that the share of the secondary sector in GDP has increased much more than its share of employment. Since 1950, the percentage of workers in agriculture has decreased rapidly, while the percentage in the secondary sector has risen only minimally (Table 7). The percentage in the tertiary sector has risen, and the increase has been especially pronounced in government. However, the tertiary sector has not been able to

Table 6. Changes in labor productivity by economic sector, 1950 to 1975

A. Level of productivity (gross domestic product in Deutschmarks per manhour of labor–1962 prices)

Sectors	*1950*	*1955*	*1960*	*1965*	*1970*	*1975*
All sectors	3.02	4.25	5.84	7.65	9.92	11.94
Primary sector[a]	1.15	1.73	2.57	3.32	4.94	7.14
Secondary sector[b]	3.25	4.68	6.68	9.06	12.04	15.19
Tertiary sector[c]	4.03	4.85	6.03	7.60	9.48	10.96
Government	4.07	4.74	5.31	5.43	5.90	6.74

B. Annual average rates of change in productivity

Sectors	*1951–55*	*1956–60*	*1961–65*	*1966–70*	*1971–75*
All sectors	7.0%	6.6%	5.5%	5.3%	3.8%
Primary sector[a]	8.5	8.1	5.3	8.3	7.6
Secondary sector[b]	7.6	7.6	6.3	5.9	4.7
Tertiary sector[c]	3.8	3.1	4.7	4.5	2.9
Government	3.1	2.4	0.4	1.7	2.7

[a] Agriculture and forestry

[b] Manufacturing, construction, energy economy, and mining

[c] Service industries without government

Source: Federal Statistical Office.

Table 7. Average changes in the percentages of employment in major economic sectors, 1951–55 to 1971–75

Periods	*Total*	*Primary sector*[a]	*Secondary sector*[b]	*Tertiary sector*[c]	*Government*
1951–55	100.0%	20.4%	44.8%	27.1%	7.7%
1956–60	100.0	16.0	47.3	29.2	7.5
1961–65	100.0	11.9	48.5	30.4	9.2
1966–70	100.0	9.7	48.1	31.4	10.8
1971–75	100.0	7.5	47.5	32.4	12.6

[a] Agriculture and forestry

[b] Manufacturing, construction, energy economy, and mining

[c] Service industries without government

Source: Federal Statistical Office.

compensate for the loss of jobs in the industrial sector. Thus, it is not surprising, in view of the high share of the secondary sector in GDP and the decreasing share of this sector in employment, that the total number of employed has been declining for some time. Table 8 shows that the annual average rate of increase of 2.7 percent in total employment in 1951–55 must be contrasted with an average rate of decrease of 0.1 percent in the second half of the 1960s and with an average rate of decrease of 1.0 percent in the first half of the 1970s.

Table 8. Annual average rates of change in the gross domestic product and its components, 1951–55 to 1971–75

Periods	*Number of workers*	*Hours per worker*	*Total amount of labor*	*Labor productivity*	*Gross domestic product*
1951–55	2.7%	-0.4%	2.3%	7.1%	9.5%
1956–60	1.5	-1.6	-0.1	6.5	6.5
1961–65	0.5	-0.9	-0.4	5.5	5.1
1966–70	-0.1	-0.4	-0.6	5.4	4.7
1971–75	-1.0	-1.0	-2.1	3.8	1.7

Source: Federal Statistical Office.

Youth in the Context of Social Developments

In discussions of the situation of youth, the emphasis rests without doubt on their gains and losses. The pressure to achieve in school, vocational training, and the universities; the lack of training positions in business, government, and the universities; and youth unemployment and its consequences dominate discussions on the situation of youth in the Federal Republic as well as in other democratic industrial nations.

Various studies indicate that, at a time when the drive to achieve among adults is somewhat on the decline, competition among young people has increased alarmingly. The race for better opportunities for education and employment has shifted progressively back from the time of entry into working life to the years of early youth and even of childhood. The social stress associated with admission to certain educational fields has already begun to influence the life of children negatively. Drugs, alcoholism, and juvenile delinquency have high priority in this discussion. There is no doubt that these problems exist, and we shall return to them shortly. It seems essential, nevertheless, to mention the favorable developments for youths in Germany in recent decades.

During the 1960s and early 1970s, in particular, youth in the Federal Republic, as in most industrial societies, developed a measure of independence, self-assurance, and joy of living that was unknown before. A changing system of values placed love, friendship, and comradeship in the foreground. Work and making a living became secondary. Authority and achievement were questioned by critical self-awareness and the drive for quality of life. Friend, girlfriend or boyfriend, or marriage partner became more important in relationships than teachers or parents. Personal fulfillment became more significant than the fulfillment of duty or work. A 1975 study by the youth division of the German Shell Company on the situtation of youth since 1964 attempted to quantify these developments. Whereas in 1964 an opinion poll showed that only 6 percent of youths 13 to 24 considered "work and other duties" a heavy burden or a necessary evil, in 1975, 16 percent felt that way. While in 1964 work was considered a satisfying activity by 64 percent, only 44 percent considered it so in 1975.

Sand and Benz (1976) reported that 89 percent of young people between 16 and 24 years of age, questioned at random, were convinced that youth of today thought differently from those of the 1950s. When asked what the differences were, the young people emphasized especially characteristics like "free, open, critical, self-reliant, self-assured, mobile." At the center of their interests were questions relating to education and social problems. Equality and sexual freedom played a significant role.

These tendencies were associated with financial and legal policies favorable to youth. Complete equality for illegitimate children, essential improvements in youth labor laws, financial aid for children, and the introduction of broad financial aid in education are examples of this development. At the same time, a number of essential decisions were made toward changing the legal status of youth. The attainment of majority of 18-year-olds was one. It is certainly possible to criticize the effects of the material and legal independence of 18-year-old youths in the democratic industrial societies. Nevertheless, the right of 18-year-olds to majority status; the increasing authority of pupils, apprentices, and students to participate in decisions concerning their institutions; or the rights created in recent years to education financed by public funds have all without doubt improved the status of youth in the Federal Republic. And, in spite of general compulsory military service, the rights of convinced pacifists are also respected today (Table 9).

Table 9. Refusals of military service: annual applications and decisions, 1967 to 1976

Year	*Total applications*	*Decisions*	*Approvals*
1967	5,963	5,433	4,739
1970	19,363	11,864	9,521
1971	27,657	14,444	11,033
1972	33,792	18,431	13,132
1973	35,192	25,087	16,649
1974	34,150	27,330	18,621
1975	32,565	26,508	18,496
1976	40,618	22,366	16,505

Source: Federal Ministry of Defense.

This summary is not intended to portray a paradise for youth in the Federal Republic. We also do not dispute the fact that there have been and still are tendencies in German society that have caused significant disadvantages to youth, in spite of quantitative progress. The increasing trend, for example, toward the small nuclear family and the rising percentage of working mothers must certainly be counted among such tendencies. In metropolitan areas, the lack of sports facilities and playgrounds, as well as the rise in traffic accidents, have been inimical to children. The urbanization of life doubtless holds disadvantages for the sheltered development of youth and is reflected in negative psychological reactions. However, we are dealing here with losses of quality in industrial societies that concern not only youth. For this reason, it is inappropriate to report on the development of crime, alcoholism, and drug abuse among youth without reference to such tendencies in society at large.

In relation to all criminal offenses, relative delinquency specific to youths 14 to 17 increased only slightly between 1960 to 1975, and the same was true for those 18 to 20. Among those 21 to 24, as well as among adults (25 and over), the tendency applied to only a slightly lesser degree. The differences are striking, particularly for robbery and blackmail. For those 14 to 17, there was an increase from 11.8 to 33.9 per 100,000 inhabitants, but there has been no increase since the beginning of the 1970s. Among adults the robbery and blackmail rate rose from 1.5 to 3.0. In the case of offenses against persons—such as assault, manslaughter, and murder—the rate for those 14 to 17 rose from 88.7 to 115.7, but has remained stagnant since 1970. Among those 18 to 20, the rate rose from 290 to 337; among those 21 to 24, it fell from 325 to 237; and among adults, it fell from 112 to 84.

Youth alcoholism must be seen in relation to the rising per capita consumption of alcohol in the Federal Republic: in 1960, annual per capita consumption of pure alcohol was about 7.8 litres, while in 1975 it was about 12.4 litres. While there are close to 150,000 juvenile alcoholics in the Federal Republic, one must add that there are an estimated 1.5 million alcoholics among all age groups. According to a recently published study at the University of Kiel, 18 percent of 10- to 18-year-olds who were questioned drank no alcohol, while 17 percent considered themselves to be particularly heavy and steady drinkers. Here it must be pointed out that the ability to hold liquor is a prestige value not only among youth.

According to estimates of the Federal Ministry of Youth, Family, and Health (February 1976), the hard core of drug consumers among youths 14 to 24 is considered to be about 40,000. Other estimates are around 50,000, which would amount to about 0.5 percent of the population in this age group. Although youths under 30 play an increasingly important role in the drug consumption, precise numbers are not known. The percentage of addictions to hard drugs is apparently rising, while "mild drugs" and alcohol are used interchangeably, but again there are no exact statistics.

The total picture of youths 15 to 24 in the Federal Republic in no way conveys an impression of crisis developments. Whether it will be possible to let the new freedoms become productive in an affluent society, and, furthermore, whether it will be possible to maintain this affluence are uncertainties for the future. The restoration of full general employment and the elimination of youth unemployment will certainly play a decisive role.

2

Education in the Federal Republic of Germany

In the Federal Republic, the 10 states (*Länder*) and West Berlin are largely autonomous and independent in the education sector. Yet the basic structure of the educational system has remained homogeneous to a great degree. This is primarily the result of intensive coordination by the conference of the ministers for culture of the states and of the federal-state commission on educational planning. Compulsory education in the states lasts 9 years, between the ages of 6 and 15; in West Berlin there are 10 years of compulsory education ending at age 16. After this, young people are obliged to attend vocational school on a part-time basis between 6 and 12 hours a week unless they go on to a school at the secondary level.

In the course of the 1960s and 1970s, educational opportunities for youth have improved. Step by step (varying among the states) compulsory education has been increased to 9 years. The trend is toward 10 years of full-time compulsory education between age 6 and age 16.

Concomitantly, the employment rate of young people 15 to 19 fell by one-third, from about 80 to about 54 percent, between 1961 and 1975, while that of 20- to 24-year-olds declined from about 82 to 74 percent (Table 11).

Data on attendance rates in schools for specific ages up to 18 are significant only for attendance at full-time schools on the upper-secondary level, because part-time education is required for those who do not continue in full-time school. There has been a rise in enrollment rates of youths 15 to 19 in general full-time schools (excluding vocational schools), that is, in high schools (*Gymnasien* and *Realschulen*). The proportion enrolled in these schools rose from 11.4 percent in 1960 to over 14.5 percent in 1970 and to nearly 19 percent in 1975. The number of German first-time enrollments in universities rose from 74,200 in 1960 to 120,000 in 1970, or from nearly 7 percent to about 15 percent of those 20 to 21 (the average age of first-year students). The percentage reached 18 percent in 1974 and was expected to be more than 20 percent in 1976 (Table 10).

This trend will continue. In 1973 a planning committee appointed by the federal government and by the states (the

Table 10. Percentages of the population enrolled in school and college, by age and level of school, actual 1970 and projected 1975, 1980, and 1985

Level of school and age group	*1970*	*1975*	*1980*	*1985*
Nursery schools (elementary level; 3- to 5-year-olds)	27%	52%	70%	70%
Preschool education (5-year-olds)	53	60	85	100
Elementary schools (6- to 10-year-olds, including special schooling)	100	100	100	100
Medium level (lower secondary level; 11- to 15-year-olds, including special schooling)	100	100	100	100
Upper secondary level (15- to 19-year-olds)	19			
Full-time proportion	36.9	41	45–57	50–52
Part-time proportion	63.1	59	53–55	48–50
Universities (tertiary level)	14.2	20	20–22	22–24

Source: Federal Statistical Office.

Federal-State Commission for Educational Planning–*Bund-Länder-Kommission für Bildungsplanung)* proposed the so-called joint plan for education, which was approved by the federal and state governments as a binding guideline for future development. According to this plan, the development of educational structures is as shown in Table 11. The expected expansion up to 1976 essentially occurred, and some goals were even surpassed. Moreover, there was not only a significant increase in educational expenditures (from 47 billion DM in 1970 to 87 billion DM in 1975), but also a distinct increase in the share of educational expenditures in total public expenditures and in the GNP (from 5.1 percent in 1970 to 6.7 percent in 1975).

Table 11. Percentages of young people employed (not in secondary school) 1961 to 1975[a]

		Ages 15 to 19			*Ages 20 to 24*	
Year	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*
1961	79.8%	81.3%	78.2%	81.7%	91.1%	71.9%
1970	65.7	66.9	64.4	77.2	86.8	67.1
1975	54.0	57.2	50.6	74.0	79.9	68.4

[a] Number of employed per 100 population, by age and sex, including soldiers.

Source: Federal Statistical Office.

Despite the increase in educational opportunities, enormous shortages of openings have appeared, especially of private training positions and of university student places. The reasons for this are varied. Training positions in the private sector have been subject to a long-term decline, which was accelerated, among other things, by the tightening of legally set requirements for the quality of training after 1969. The universities have been unable to keep abreast of the increasing applicants (in spite of a doubling of academic and other personnel in one decade and a corresponding expansion of buildings), partially because of the continuous lengthening of the duration of university education. Average duration in 1970 was 5.7 years, and in 1975 it was about 6.5 years.

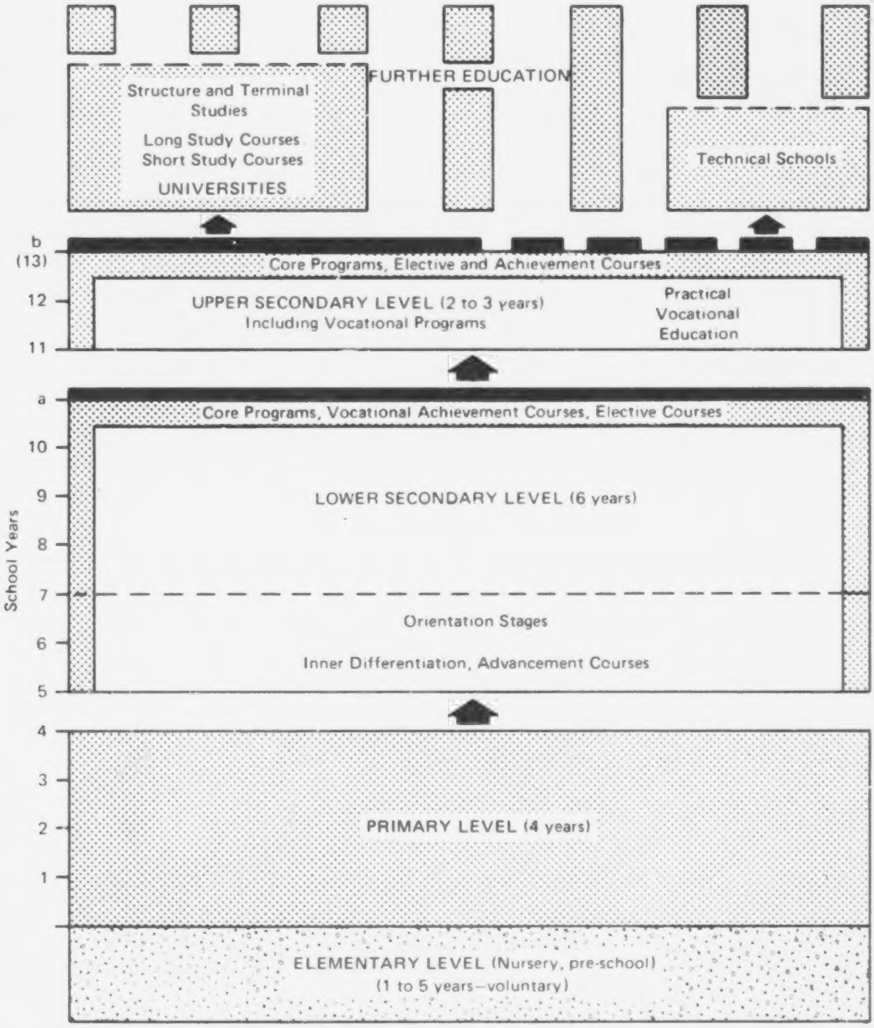
Thus, in spite of public efforts, opportunities for education and training had become a central problem for young people and their families long before the 1974–75 recession. It is no wonder that the German Shell Company study showed a distinct shift in the grievances mentioned by youth in the period from 1954 to 1975: irritations as well as failures on the job and in school played an increasing role in the troubles of youth. To be sure, the difficulties thus far mentioned cannot entirely explain this tendency. The educational system of the Federal Republic has structural characteristics that are highly significant for the psychological problems of youth and for youth unemployment.

Basically, the educational system of the Federal Republic is structured not horizontally but vertically; the structure depicted in Table 11 includes in the lower- and upper-secondary levels several types of schools that are not organizationally connected with one another and that relate to each other rarely or in a very limited manner. Educational decisions must therefore be made very early in life; and they are relatively irreversible.

Figure 1 shows the differentiated structure of the educational system. This structure is the cause of a substantial part of the problems of young people. The crucial point is that, as a rule, the most important decision determining future life has to be made after four years of elementary school (except in Bremen and in West Berlin, where there are six years of elementary school). Parents and children are largely bound by this choice in their further educational and vocational paths. If parents choose the basic school (*Hauptschule*) after the fourth school year (one of several possible choices), the only subsequent opportunities for youth are, as a rule, the "practical vocations." In this case schooling ends in most instances with the basic school.

In 1976, about 18 percent of those leaving basic schools had no regular leaving certificates; they had to find a job without a certificate. After graduation from a basic school, the path leads either directly to work, when 15-year-olds begin as unskilled laborers, or it leads via apprenticeship to a "skilled trade." However, the percentage of people who practice another

Figure 1. Model of a horizontally structured educational system in the Federal Republic of Germany


FURTHER EDUCATION
Structure and Terminal Studies
Long Study Courses
Short Study Courses
UNIVERSITIES
Technical Schools
b
(13)
Core Programs, Elective and Achievement Courses
12
UPPER SECONDARY LEVEL (2 to 3 years)
Including Vocational Programs
Practical Vocational Education
11
a
Core Programs, Vocational Achievement Courses, Elective Courses
10
9
LOWER SECONDARY LEVEL (6 years)
8
School Years
7
Orientation Stages
6
Inner Differentiation, Advancement Courses
5
4
3
PRIMARY LEVEL (4 years)
2
1
ELEMENTARY LEVEL (Nursery, pre-school)
(1 to 5 years—voluntary)

Completion a = Abitur I (Secondary Certificate I),
b = Abitur II (Secondary Certificate II)

trade than the one they have learned after completing apprenticeship is substantial, as we shall see. Graduates of basic schools rarely have access to continuing schools (*Realschulen* or *Gymnasien*); every tenth graduate attends a full-time vocational school.

However, if parents decide to send their 10-year-old children, after four years of elementary school, to a continuing school, the choice is (1) a modern secondary or intermediate school (*Realschule*) resulting in an intermediate degree (*mittlere Reife*), and then an upper technical school (*Fachoberschule*) or technical high school (*Fachhochschule*) with prospects for a more elevated career (but seldom for academic education); or (2) the *Gymnasium,* which leads as a rule to the matriculation examination (*Abitur*) and then to the university and to an academic or professional career.

Regular statistics about transfers to different types of schools or training are not available, but estimates are shown in Table 12.

Table 12. Estimated transfers to different schools or training programs

Graduate of:	*Academic or professional career*	*Vocational full-time schools*	*Training in firms*	*Other—federal defense*	*Other—miscellaneous*	*Total*
Basic schools or special schools	0.0%	10.8%	64.3%	1.6%	23.3%	100.0%
Modern secondary schools—intermediate degree	0.0	23.5	66.7	1.9	8.0	100.0
Gymnasium or other institutions–matriculation examination	89.2	2.5	5.8	2.5	0.0	100.0

Source: Kühlewind, Mertens, and Tessaring, 1975.

The three-level school system in secondary education (*Hauptschule, Realschule,* and *Gymnasium*) has negative consequences for the structure of society and for equality of opportunities. Because of the necessity of making a decision at an early age, children of high-income families are at an advantage. This is not surprising: after all, the vertical structure of the school system was designed as a social class system, and it still functions to determine social classes today. However, gifted children from socially disadvantaged backgrounds have always been admitted to the *Gymnasium*. Thus, the stronger are separated from the weaker at age 10, based on an almost complete system of merits. Males will meet as equals at most one more time in their lives, when they join the federal defense forces. When all the gifted children, joined by the great majority of those from the middle and upper classes, get together in the *Realschule* and the *Gymnasium,* the weakening of the basic schools becomes obvious, and the social discrimination against the already individually disadvantaged becomes particularly noticeable.

Since the choice of school actually determines the future, school days have degenerated to a kind of premature competition for careers. Those who do not choose the *Gymnasium* find the course of their lives more or less inevitably determined. Passive resignation is often the result. If the choice is the *Gymnasium,* they soon meet with cut-throat competition that expresses itself not only at the end of the *Gymnasium*—that is, the point of transition to the university—but reaches back as far as the last years of elementary school. The pressure to make decisions very early and the pressure of competition for the best grades in the transition to the universities leads to the dissolution of solidarity among classmates. And the uncertainty of career opportunities, which today are even associated with the choice of higher education, instills in young people either an unscrupulous sense of competition or resignation.

Finally, the three-level school system causes misdirections and resulting frustrations. The inevitable result of the need to decide at a young age is that the continuing schools have had to be considerably expanded in recent years. Especially in urban areas, the basic schools have become repositories for less gifted and socially disadvantaged children. In areas with a high concentration of children of foreign workers, the basic schools even face the question of whether the majority of a school class is German speaking. This again increases the drive for entry into continuing schools.

The preparation for a career at the different types of schools tends to convey the impression to graduates of the *Gymnasium* that successful graduation will guarantee access to the university and to the corresponding academic and professional careers. Consequently, there has been a continuous increase in the number of graduates (*Abituren*) who have taken the continuation of their education at the university and resulting career opportunities for granted. The trend toward the *Gymnasium* led to a political neglect of vocational training in the 1960s when the demand for *Gymnasium* and university places grew vigorously. The consequence was education oriented toward the higher professions, without any relation to social needs, as well as a corresponding horizon of professional expectations of the students. Thus, the Federal Republic today is facing the problem of unemployed teachers, lawyers, chemists, and engineers, while there are qualified jobs in trade and crafts that cannot find trained new recruits.

After 1945, many education traditions in addition to the *Gymnasium* were continued, including the system of apprenticeship. The structure of this training program is based on the concept of a connection between training in a firm and in school. The young graduate (now usually after nine years of school) enters into a contract with a firm which, as a rule, guarantees three years of continuous apprenticeship and education. In addition, the youth is obliged at the same time to attend a vocational school for 6 to 12 hours a week (the exact time varying among the states). This vocational school offers general education, such as social studies and sports, as well as the technical and theoretical aspects of vocational education until the end of this part-time obligatory schooling at 18 years. In addition, there are full-time vocational schools which terminate with a qualification for a job. These schools are likely to become more and more important.

During the 1950s and 1960s, vocational training was left essentially in the hands of firms and chambers of commerce. First of all, educational policy had to deal with the explosion of the *Gymnasium* and its resulting avalanche of students in the early 1970s. Then, much too late, when the qualitative and quantitative defects of vocational education had become incalculable, and when shortages of training capacity were developing, vocational education for young people 15 to 19 became a central policy issue. Until 1973, educational policy in the various states, which are essentially responsible for their own vocational education, was under the jurisdiction of the departments of commerce or labor. This was also true at the federal level. Only after a prolonged struggle over jurisdiction was the responsibility for the planning of vocational education finally transfered to the ministry responsible for other educational planning activities, the Department of Education and Science.

In view of the negative selection patterns between basic school and the *Gymnasium,* the problem of vocational training is hardly soluble without reference to educational reform in general. The prerequisite for a solution to the problems of vocational training would be the upgrading of the basic school. A solution will not be possible as long as 10-year-old children are involved in a process of negative selection, to the disadvantage of the practical trades, by being forced to choose the broader opportunities offered by the *Gymnasium* or the *Realschule.* An upgrading of the basic school, however, would only be possible through creation of comparable standards at the lower-secondary level for the content and quality of education at the *Gymnasium* and at the basic school. This would also make possible the merging of the school types—the central goal of the reform of educational policy—the replacement of the three-level school system by the comprehensive school.

In recent decades the debate over educational reforms in the Federal Republic has dealt primarily with this goal. The point of departure was, first of all, the sociopolitical question of how a decision as far reaching as the choice of type of school can be socially and pedagogically justified for 10-year-old children. While the experts were overwhelmingly of the opinion that such a decision cannot be made in a responsible way, those interested in preserving the existing structures of education—especially the well-to-do parents of *Gymnasium* students—have seen to it that a rather hostile climate was created in opposition to prolonged joint schooling. It must be added, however, that most proponents of school reform were unable to support their arguments with well-prepared and promising reform models.

Today the questionable nature of the existing three-level school system becomes apparent not only in the social consequences but also in the quantitative misdirection that it causes. These misdirections play an important role in explaining youth unemployment and contribute the most important negative element to the situation of youth in the Federal Republic. A realistic assessment shows that, at least until now, the problems of youth unemployment were clearly secondary to those that resulted from a nonreformed educational system. The most depressing problem that young people have to deal with today is not the threat of unemployment but problems of education in general. The antiquated and inexpedient three-level school system, with its apparently clear options and yet obvious occupational insecurities, has beome a source of insecurity and depression for today's youth, which will make a future-oriented and self-assured development in democratic equality of opportunity much more difficult, if not impossible.

3

Employment in the Federal Republic

Employment Potential

Population growth and the rate of employment are of decisive importance for the labor market. Table 13 shows that in spite of a population increase from 56.8 million in 1962 to 61.4 million in 1976, the employment potential has not increased, owing to a continuous drop in the employment rate from 60.5 percent in 1962 to 54.8 percent in 1976. During this period the native German population increased from 55.9 to 57.6 million, while the population of foreigners rose from 0.9 to 3.8 million. For Germans, the employment rate fell from 60.1 to 53.6 percent, and for foreigners from 81.3 to 75.6 percent.

Changes in the future employment potential of the German population will first of all reflect the high birth rates of the years until 1963. The large cohorts born in those years will make particular demands on training capacities and on the labor market for newcomers in the coming years. In addition, the declining employment rate among the German population was caused by a reduction in the length of working life as a result of earlier retirement on the one hand, and by the prolongation of education and the declining employment rate among young people on the other hand (Table 11). Thus, the employment rate of the German male population of working age declined

Table 13. Population and employment data,[a] 1950 to 1976 (numbers in thousands)

Population and labor-force components	*1950*	*1955*	*1960*	*1962*	*1970*	*1973*[b]	*1975*	*1976*
Population	49,989	52,382	55,433	56,938	60,651	61,976	61,829	n.a.
Population 15 and over	n.a.	n.a.	43,609	44,445	46,593	48,105	48,543	n.a.
Employed	21,960	24,165	26,591	26,382	26,668	26,712	25,350	25,752
Self-employed	3,245	3,215	3,327	3,203	2,690	2,594	2,510	2,331
Unpaid family workers	3,168	2,855	2,663	2,527	1,732	1,554	1,420	1,188
Dependent employees	13,963	17,160	20,257	20,652	22,246	22,564	21,420	21,700
Foreign workers			279		1,807	2,595[c]	2,071	1,937
Unemployed	1,584	935	271	154	149	273	1,074	1,060
Unemployment rate–unadusted	7.2	3.9	1.3	0.6	0.7	1.2	4.7	4.6
Unemployment rate–adjusted to U.S. concepts	6.8	3.4	0.8	0.4	0.5	1.0	3.4	3.6

[a] Data do not include the Saarland until 1958.

[b] Based on numbers of social security card holders from 1973 on; data before and after 1973 are not comparable.

[c] Based on BMWI performance in numbers, 1976; BMWI = Bundesministerium für Wirtschaft (Federal Economics Ministry).

Sources: BMWI; Federal Statistical Office and Federal Labor Institute; Organization for Economic Cooperation and Development, *Labor Force Statistics, 1958–1969,* and *Labor Force Statistics, 1964–1975* (Paris, 1971 and 1977); Organization for Economic Cooperation and Development, *Methodological and Conceptual Problems of Measuring Unemployment in O.E.C.D. Countries* (Paris, 1976), Part I; and U.S. Bureau of Labor Statistics, unpublished tables.

from 82.9 percent in 1962 to 72.1 percent in 1976, while that of women fell only from 41.0 to 37.8 percent in the same period. Since 1972, the employment rate of women has increased slightly, reflecting increasing employment of middle-aged married women.

In the coming years, the number of school leavers is expected to rise, followed by a decline in the 1980s:

Actual		*Projected*	
1971	705,000	1980	926,000
1975	780,000	1981	952,000
		1985	851,000
		1990	650,000

Projections show that by 1990 the German employment potential will increase by one million persons, whereas it decreased by approximately two million from 1960 to 1975.

Unemployment

An unemployed person by statistical definition is a person who is looking for work, living in the Federal Republic (including West Berlin), and is registered with the Labor Office as seeking full-time work amounting to more than seven calendar days, either inside the country or in a foreign country. Disabled persons are not included, nor are those already working more than casually as employees, domestic workers, members of a family enterprise, or self-employed people. The basis for the calculation of the unemployment rate is the employment rate, based on the population and employment census of 1970, as well as on the extrapolated population. The total number of unemployed is divided by the number of dependent employees, including those who work only up to 20 hours a week.[1] The specific problems of youth unemployment statistics will be considered later.

[1] Dependent employees who work more than 37 hours per week are used as the basis for calculating the full-time unemployment rate, while the part-time unemployment rate is based on the number of dependent employees who work from 20 to 36 hours a week.

Unemployment benefits may be claimed by those who are registered with the Labor Office as unemployed, are listed as available for work by the employment agency, have completed the required time for qualification, and have filed for unemployment benefits. A person who looks for work is unemployed in this sense, even when he holds one or more casual jobs if they amount to less than 20 hours a week. Unemployed people are considered to be looking for work if they are available for work through the employment agency and if they are willing to accept a "reasonable job" under the customary conditions of the general labor market and are actually able to perform such a job. Those who are able to hold only minor jobs, or can work only at certain hours because of diminished productivity or family obligations (excluding children in need of supervision and persons in need of care) or those who do not qualify for a job because of certain behavior (for example, alcoholism) are not considered to be available for work and therefore have no corresponding claim.

A central problem in the question of claims for unemployment benefits has to do with the explanation of "reasonability," which corresponds to the regulation in the United States that an unemployed person can be denied benefits if he refuses "suitable work." The Labor Promotion Code provides that the assessment of reasonability must take into account the situation and development of the labor market and the interests of both those who pay unemployment contributory taxes and the unemployed. It is explicitly added that employment is not unreasonable just because it does not correspond to the former occupation of the unemployed person, because the place of employment is farther away from the home of the unemployed than his former place of employment, or because the conditions of labor are less favorable than in the previous job. The assessment of reasonability decides in the last instance the definition of "unemployed." The harsher the standard, the smaller the number of unemployed, whereas the more generous the standard, the greater the number of unemployed.

Finally, the right to unemployment benefits applies only to those who have held a job for 26 weeks or 6 months within a specified time period during the past three years in an occupation subject to unemployment insurance contributions. In addition, the unemployed person must register personally with the local employment office on the first day of unemployment. Unemployment benefits are payable for 13 to 52 weeks, according to the duration of insured employment. There are also special provisions relating to certain activities, such as serving time in the military or participation in a program of vocational training or retraining.

The unemployment benefit amounts to 68 percent of the former wages. The legal taxes which an employee normally has to pay are subtracted in computing the most recent wages. Overtime work is taken into consideration. The process of calculation is regulated in detail and is relatively complex.

In the 1950s, the Federal Republic had effectively eliminated unemployment. The number of unemployed decreased from about 1.6 million in 1950 to about 271,000 in 1960, while the unemployment rate declined from 7.2 to only 1.3 percent in the same period (Table 13). The drop in unemployment was continuous, except in 1957 and 1958, when unemployment remained temporarily around 3.7 percent. During the 1960s, unemployment remained at the extraordinarily low level, by international standards, of about 1 percent, except in 1967–68, when, in the wake of a local recession, it rose to 2 percent.

The high level of employment until the recession of the 1970s was, at first glance, particularly remarkable, since about 15 million refugees from the Eastern provinces (the present-day German Democratic Republic (GDR)—were accommodated. In addition, the number of foreign workers grew continuously during the 1960s, peaking at 2.6 million in 1973 (Table 13). However, the foreign workers essentially merely offset the declining employment potential of Germans. The expansion of jobs and the attractive possibilities of work and wages in the Federal Republic brought about an influx of foreign workers not only from member states of the European Common Market but also from Yugoslavia, Spain, Turkey, and Portugal. (The influx of foreign labor will be discussed later, especially in connection with the role played by an inordinately low exchange value of the German mark during the 1950s and 1960s.)

Until 1973, the entire labor force could be employed, except for a minimal number of especially mobile or hard-to-adjust employees; but the number of employed workers decreased by about 1.4 million between the middle of 1973 and the middle of 1977. The unemployment rate increased accordingly, as we noted earlier. However, whereas in 1976, there was an appreciable decrease in unemployment, this tendency was reversed in 1977. In September 1977, the number of unemployed was 911,000, compared with 898,700 in September 1976. But this rise reflected an increase in the number of part-time unemployed, especially women and the number of "short-time" workers (that is, those who work less than the normal number of hours per week in their regular job). The number of full-time unemployed did not increase.

The severity of unemployment has varied among the various sectors of the economy. The sectors that would have had to dismiss workers in any event for structural reasons, quite apart from the impact of the recession, were hit the hardest. This was particularly true for the construction industry, which had been geared to heavy postwar reconstruction needs and necessarily had to shrink. But the consumer-goods industries, which were affected by increased imports, decreased as well. The construction and consumer goods industries were responsible for one-half of the total loss in employment, while the capital-goods industries accounted for another three-tenths. The decline in total employment was held down even during the most severe period of the recession by a continued increase in employment in the service sector.

The willingness to expand personnel in the public services, however, has sharply decreased since the beginning of 1976; only half as many new workers were employed as in 1974 and 1975 (Deutsches Institut für Wirtschaftsforschung, 1977).

Meanwhile, discussions concerning the expansion of public services in connection with fiscal policy have taken a slightly different turn, as we shall see.

The employment potential of German workers is expected to increase in the coming 10 years. Therefore, the problem of unemployment is likely to intensify if the cyclical and structural causes of unemployment cannot be successfully removed. Moreover, the struggle against youth unemployment depends primarily on the elimination in general.

Youth Unemployment

The specific problem of youth unemployment in the Federal Republic occurred for the first time, as we have seen, in connection with the general rise in unemployment in the mid-1970s. Table 14 shows the increase in the unemployment rate for persons of all ages and for youthful age groups from September 1967 to September 1976. In the recession year of 1967, the unemployment rate of those under 20 was only 0.8 percent, while that of persons 20 to 24 was 1.0 percent, at a time when the overall rate was 1.6 percent. As the economy

Table 14. Total unemployment and unemployment of youths, September 1967 to September 1976 (numbers in thousands)

	Total unemployed		*Unemployed ages under 20*		*Unemployed ages 20 to 24*	
Year[a]	*Number*	*Unemployment rate*	*Number*	*Unemployment rate*	*Number*	*Unemployment rate*
1967	341.1	1.6	19.2	0.8	24.3	1.0
1968	174.5	0.8	8.3	0.4	12.3	0.5
1969	100.5	0.5	5.8	0.3	8.7	0.3
1970	97.3	0.4	7.5	0.4	10.7	0.4
1971	146.7	0.7	11.7	0.6	17.3	0.6
1972	194.7	0.8	15.5	0.7	23.1	0.8
1973	219.1	0.9	21.0	1.0	30.0	1.0
1974	556.9	2.4	69.8	3.4	88.3	3.0
1975	1,006.5	4.4	115.8	5.8	171.6	5.8
1976	898.3	3.9	102.6	4.6	154.5	6.0

[a] The data are for September of each year.

Source: Federal Labor Institute.

recovered from the recession, youth unemployment declined drastically. From the beginning of the 1970s until the onset of the world economic crisis in 1973–74, the rise in unemployment was slow, but from 1974 on it accelerated. The data in Table 14 also show that the relative rates of youth unemployment tended to rise, and this tendency continued between 1976 and 1977. In May 1977, the rate for youths under 20 was 4.1 percent, while that for 20- to 24-year-olds was 6.3 percent, compared with an overall rate of 4.1 percent.

This development came as a surprise to the federal government. While an analysis of long-term economic trends indicated that unemployment would probably increase in Western industrial countries and that there would be a large influx into the German labor market between 1975 and 1985, the government did not believe that there was a threat of youth unemployment. In a news release in January 1975, it stated that the Federal Administration does not anticipate that in the middle- or longer-term there will be structural youth unemployment in the Federal Republic of Germany. However, among all age groups, the highest rate in May 1977 was for those 20 to 24, according to the Federal Labor Institute. Although there had been relative improvement for this age group from 1975 to 1976, the tendency was reversed in 1977. Also in May 1977, by comparison with a year earlier, age-specific unemployment rates had increased for those under 20, 30 to 34, and 55 to 59. In September 1976, the Federal Labor Institute had pointed out that unemployment rates in the upper age groups were no longer as much above average as they were during and after the recession, but the lower age groups were much more afflicted. The explanation for this, the institute reported, was to be found, among other things, in regulations protecting the work place for older and/or long-term employees with one firm. These, in the meantime, had been expanded significantly in legal, wage, and industrial agreements, and had contributed to a certain redistribution of the unemployment risk. Nevertheless, compared with the situation in the larger industrial nations, youth unemployment in the Federal Republic is relatively low, as is unemployment in general.

Not everyone without a job is listed as unemployed in the statistics, and this is probably especially true of youthful unemployed persons. As we have seen, the unemployment statistics of the Federal Republic are based on the number of registered unemployed. It may rightfully be assumed that unemployed youths, who can neither hope to get a job by registering nor to receive unemployment benefits (since they have not worked before) are less interested in registering with the Labor Office than are adults who have already been employed. Moreover, the statistics include only those persons as unemployed who are looking for a job; they do not include those who are looking for a training position. Moreover, young people who have terminated their education and, in the absence of a job, are going through additional training, are also not listed in the statistics as unemployed, even though they would much rather work than continue their training. Also disregarded in the statistics are those who are continuing to study (for example, in a second field of study or for a higher degree) merely to kill time in the absence of a job, as well as the young housewife whose registration at the Labor Office would not get her a part-time job, or the 17-year-old daughter who remains with her parents without registering as unemployed, since she has no prospects of finding an adequate job.[2]

Estimates indicate that this "silent reserve" is a significant group in terms of the difference between the employment potential on the one hand and the sum of employed and unemployed persons on the other (Table 15). The implications of this problem for unemployed youth has been the subject of a study by Schober-Gottwald (1977), who assumes that the official figures undercount the number of unemployed youths. Her estimates for September 1975 indicate that the unemployment rate for those under 20 should be 7.5 percent instead of the official 5.8 percent if one includes applicants for training

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[2] The adjusted unemployment data in Figure 2.2 in Gordon (1979) show that unemployment rates of German youths 15 to 19 are higher than those for the 20 to 24 age group, thereby tending to confirm the underestimate of teenage unemployment, which appears to be less pronounced than for those 20 to 24 in the official German figures.

Table 15. The "silent reserve" in the labor market, 1960 to 1976 (numbers in thousands)

Year	*Employment*	*Unemployment*	*Sum of 1 and 2*	*Employment potential*	*Silent reserve (4-3)*
	1	*2*	*3*	*4*	*5*
1960	26,247	271	26,518	–	–
1965	26,887	147	27,034	27,034	–
1970	26,668	149	26,817	26,817	–
1971	26,725	185	26,910	27,000	90
1972	26,655	246	26,901	27,045	56
1973	26,712	273	26,985	27,136	151
1974	26,215	582	16,797	27,003	200
1975	25,350	1,074	26,424	26,877	465
1976	25,752	1,060	26,812	26,761[a]	

[a] Estimate

Source: Mitterlunger aus den Arbeito-und Berupforschung (Mit AB), January 1977; Official Newsletter of the Federal Labor Institute, Annual Statistics, 1976.

positions who are not placed and youth who participate in courses sponsored by the labor administration instead of working. For September 1976, she estimates a rate of 6.2 percent for this age group compared with the official 4.6 percent.

However, we do not believe that the number of unemployed youths should be corrected by adding unplaced applicants for training positions as well as a number of participants in vocational training courses; the real undercount must be attributed to youth who are unregistered and are not in these categories.

The motives for registering with the Labor Office are, as we have seen, twofold—to get a job and to receive unemployment benefits. The possibility of getting a job usually motivates young jobseekers to register. However, the obvious futility of the prospect of placement in certain occupations, as well as social aversion to being registered as unemployed, prevents many young people from registering. This is likley to be all the more true if financial benefits cannot be expected from registering. Since unemployment benefits are paid only if the applicant was previously employed, and unemployment relief is provided only if the level of family income is relatively low, there are doubtless unemployed youth who have no motive for registering.

Here again, Schober-Gottwald has tried to make realistic estimates to determine more correctly the number of unemployed youths. She classifies as unemployed those 15 to 17 who are legally obliged to attend part-time vocational school but do not have a job or apprenticeship at the same time. In the fall of 1975, there were 72,000 students who had neither a job nor a training position, but only 45,000 youths under 18 were registered as unemployed with the Labor Office. This suggests that about 27,000 youths should be considered as unregistered unemployed youths. This would mean that the unemployment rate for those under 18 would have been 60 percent higher than the official figures indicated. This, of course, would be a significant difference statistically.

Schober-Gottwald also assumes that there was no further increase in the number of unemployed students in 1976–77 because some of the states created full-time educational programs for this group (a year of vocational preparation, a vocational basic school year, and so forth). This assumption, however, can only be partially accepted, since it has been reported that unemployed youth have taken advantage of these educational opportunities only to a relatively small extent.

As for those 18 to 24, the undercount in the official statistics is apparently much lower, since the percentage who have previously been employed is much greater, and therefore unemployment benefits are much more likely to be available. [In addition, children's allowances (that is, support to parents for expenses of twin children) have recently been extended to include children to the age of 23 (rather than 18), creating a financial incentive for the registration of youth in the 18 to 23 age group.] Yet even in this case, a certain undercount must be expected, especially among girls.

Schober-Gottwald's findings are corroborated by other studies. For example, a survey in the Dortmund area showed that girls between the ages of 15 and 18 who could not find jobs would often simply stay with their families, helping their mothers, without registering as unemployed. The survey indicated that if appropriate adjustments were made for unregistered unemployed youth, the actual number of unemployed youth in January–February 1975 would have been 6,200 compared with the official count of 1,847. If the results of this survey were extended to the entire Federal Republic, actual youth unemployment would be more than three times as high as the official figures indicate. And this does not include foreign youth, many of whom have been leaving the Federal Republic with their parents for economic reasons; nor does it include those who are continuing their education but would rather work.

Thus, doubts about the reliability of youth unemployment statistics are not unfounded, and most calculations tend to estimate that the actual figures are higher, rather than lower, than the official count. However, relatively high unemployment benefits (68 percent of recent wages, as we have seen) could lead young people who have already worked to abuse the unemployment insurance system; there are documented cases in which youth have preferred unemployment to an unwanted but reasonable job. The potential for this is certainly there, and discussions about such cases have increased recently in the Federal Republic. These discussions concern especially the 20 to 24 age group, who are enabled to use the system to their advantage because they are highly mobile (especially if unmarried). Numerous employers complain that young applicants sent to them by the labor offices have no intention of taking a job, and a jobseeker sent by a labor office could deter an employer from hiring him by his attitude, statements about himself, and the general impression he makes. Youth who refuse to accept jobs that are offered, for whatever reason, may be counted as registered unemployed, but it is doubtful that this constitutes a large group.

On the whole, in weighing the tendencies toward an undercount or overcount of youth unemployment, it is advisable to estimate the youth unemployment rate as somewhat higher than the official statistics indicate.

This conclusion is of considerable political significance. The number of legitimately unemployed youth is likely to increase in the coming years, primarily because numbers of young people entering the labor market for the first time will be particularly large. Although a detailed discussion of youth unemployment in the Federal Replublic must be based on the official statistics, we must keep in mind the fact that these statistics tend to minimize the problem of youth unemployment.

The structure of youth unemployment is quite different from that of adult unemployment. Detailed structural data are available primarily only for youth 15 to 19. For those 20 to 24, adequate data are unfortunately not available.

The age groups. During the years preceding the world economic recession, youth under 20 experienced a disproportionate increase in their unemployment rate, whereas this tendency did not appear until after 1973 for those 20 to 24. The reason for this is obviously that unemployment among those 20 to 24 is much more sensitive to cyclical movements. Yet it has become clear in recent years that the unemployment rate of 20- to 24-year-olds is one of the highest age-specific rates. For this reason, it will be necessary in the future to provide more data on unemployment in this age group.

Within the 15 to 19 age group, a distinct break appears at age 18. For those 15 to 18, unemployment rates are higher than for 19-year-olds. Among other factors, this is probably explained in part by the fact that those who terminate their vocational training before age 19 are not necessarily accepted as employees in the firm in which they were trained. As a result, they must seek a job when their training is over. During the period of jobseeking, they are considered unemployed, even though the unemployment may be short–lived.

For male youth, there is the additional factor of military service, which usually begins at age 18 and lasts 15 months. This deters employers from hiring youth who have not yet gone into military service. Furthermore, youth under age 18 are obliged to attend vocational school (6 to 12 hours a week) and are protected specifically by the labor laws. Without doubt this, too, prevents employers at times from hiring young people. These factors are considered more fully below.

Socioeconomic structure of youth unemployment. Table 16 provides structural data for unemployed youth 15 to 19 in the Federal Republic in the years 1974 to 1976. The data show that the disproportionate percentage of women among unemployed youth has tended to increase. The percentage of unemployed males in this age group declined from 46.1 to 40.3 percent, whereas the percentage of unemployed women rose from 53.9 to 59.7 percent. As to age, the percentage of those 15 and 16 declined from 26 percent in 1974 to 18 percent in 1976, whereas the share of those 17 to 19 rose correspondingly. It must be kept in mind, however, that the younger members of this population belong to a relatively numerous age class. Moreover, the proportion of youths who were unemployed in spite of having completed vocational training with a firm increased from about 26 percent in 1974 to 34 percent in 1976. There was also a rise in the percentage who had completed their vocational training in school–from 1.3 percent to 3.2 percent. Also particularly noticeable is the rising share of unemployed youth who had graduated from upper–secondary schools.

A detailed unemployment analysis was conducted in September-October 1975, and was based on a random sample of 2 percent of Germans who were registered as unemployed with the labor offices at the end of September 1974, including 1,300 who were under 20 years of age. Schober-Gottwald has reported on this study (1977). The results indicate that the percentage of wage-earners among unemployed youth was disproportionately high (data not shown). As might be expected, workers who had not completed vocational training were especially affected. These factors were related to social stratification. Among the unemployed youth, 65 percent came from working-class families, compared with 44 percent of employed youths. In contrast, there were only a few unemployed youths whose fathers were, for example, civil servants. Within the group from working-class families, children of unskilled workers

Table 16. The structure of youth unemployment (under 20 years of age), by selected characteristics of a random sample and selected cases subsequently investigated, 1974 to 1976

	Total youth unemployment end of September[a]			*Sample*[b] *September 1974*	*Subsequent investigation*[c] *selected cases*
	1974	*1975*	*1976*		
Number of cases (000)	69.8	115.8	102.6	349	965
Percentage of total unemployed (all ages)	12.5	11.5	11.4		
Percentage who were foreigners	10.8	9.1	6.8		
Sex					
Men	46.1	48.5	40.3	44.3	42.9
Women	53.9	51.5	59.7	55.7	57.1
Age					
15	10.1	5.7	4.5		11.7
16	15.9	13.6	13.7		11.9
17	22.2	19.9	21.7		21.3
18	24.8	27.3	28.2		22.0
19	27.1	33.5	32.0		33.2
Vocational training without completion					
Vocational training	69.8	67.4	63.6	66.3	61.7
Without basic school completion	32.2	30.8	26.3	34.8	30.3
With basic school completion	28.4	29.0	27.1	27.8	27.6
With upper-secondary school completion	3.2	4.0	7.4	3.6	3.7
With instruction	3.2			2.8	3.3
With vocational training in a firm	25.8	30.5	34.2	29.3	33.3
With vocational training in a school	1.3	2.1	3.2	1.6	1.7
Desire for vocational training among unemployed youths without vocational training					
yes	14.8	8.5	12.0		16.7
no	85.2	91.5	88.0		83.3
Employment					
No employment so far	23.6	18.9	22.4		25.1
Previously employed	76.4	81.1	77.6		74.9

[a] Only Germans.

[b] Including the category "instruction."

[c] Base of reference: unemployed youths without completed vocational training. For September 1974, the calculation of the "yes" percentages is based on those youths without jobs, which were taken care of by vocational counseling and were transferred to Labor Office for placement, because of a lack of qualification or a lack of training positions.

Source: Federal Labor Institute.

were disproportionately represented, accounting for 35 percent, whereas the proportion from such families among employed youths was only 12 percent. The occupation of the father was more important than his education. Unemployed youth also frequently came from families with many children, a factor which also correlates in part with social stratification. There are no statistical data on youth unemployment among children of foreign workers because, among other things, the number of these young people who are old enough to work is still relatively small.

Education and qualifications. As youth unemployment in the Federal Republic increased, it became clear that formal qualifications in the case of school graduates (the best grades on examinations or the best certificates) were an essential prerequisite for getting a job—at least for getting a job corresponding to the individual's ambitions and formal qualifications. For those who had completed vocational training, formal qualifications were less important than experience gained and the type and place of training (such as size of firm, occupation of training, and so on). Of course, young people who had completed training in an occupation that was negatively affected by cyclical developments were often unemployed in spite of good qualifications in their field. Youth who had completed intensive training programs that were particularly relevant for their trades were also rejected by firms more frequently than before. If the firm had no demand for junior staff, even the best qualifications were useless. Both of these groups—those who were formally qualified school graduates and those who had completed vocational training—entered into intense competition to oust those youth who had neither of these qualifications. Finally, it became apparent that those who were only 15 to 17 years of age were at a disadvantage, especially in areas with high unemployment, because they were less mobile than older workers.

The structural profile of unemployed youth was characterized most decisively by their previous education. Those who had not completed vocational training had an unemployment rate of 7.3 percent, compared with only 3.4 percent for those who had completed such training. Two-thirds of the unemployed youths under 20 either had no vocational training or had interrupted it, whereas only 25 percent of employed youths in this age group had not completed vocational education (Table 17). About one-third of the unemployed youths had not even graduated from basic school. Among those who were 15 years of age, 70 percent had not graduated from school, whereas among the 19-year-olds 16 percent had not graduated. The reason for this enormous statistical difference is not that the percentage of younger age groups leaving basic school without graduating has increased significantly; rather, 15-year-olds rely exclusively on their school certificates for evidence of qualifications when they apply for a job, whereas 19-year-olds have usually worked before and depend more on evidence of former work experience.

As we have seen, the proportion of unemployed youths who had interrupted their training was relatively high. Schober-Gottwald (1977) observes that girls break off their training more rarely than boys and that for both sexes cyclical developments play a significant role. "In conclusion," she states,

Table 17. Unemployed Germans under 20 who had been employed before their unemployment and employed Germans under 20 by vocational training status, September 1974

Employment and status and age	*Total*	*Without vocational training*	*With interrupted vocational training*	*With completed vocational training*
Unemployed youths under 20	100.0%	46.3	24.2	29.5
Employed youths 14 to 20	100.0%	7	17	76
Total unemployed (all ages)	100.0%	49		51

Source: Federal Labor Institute.

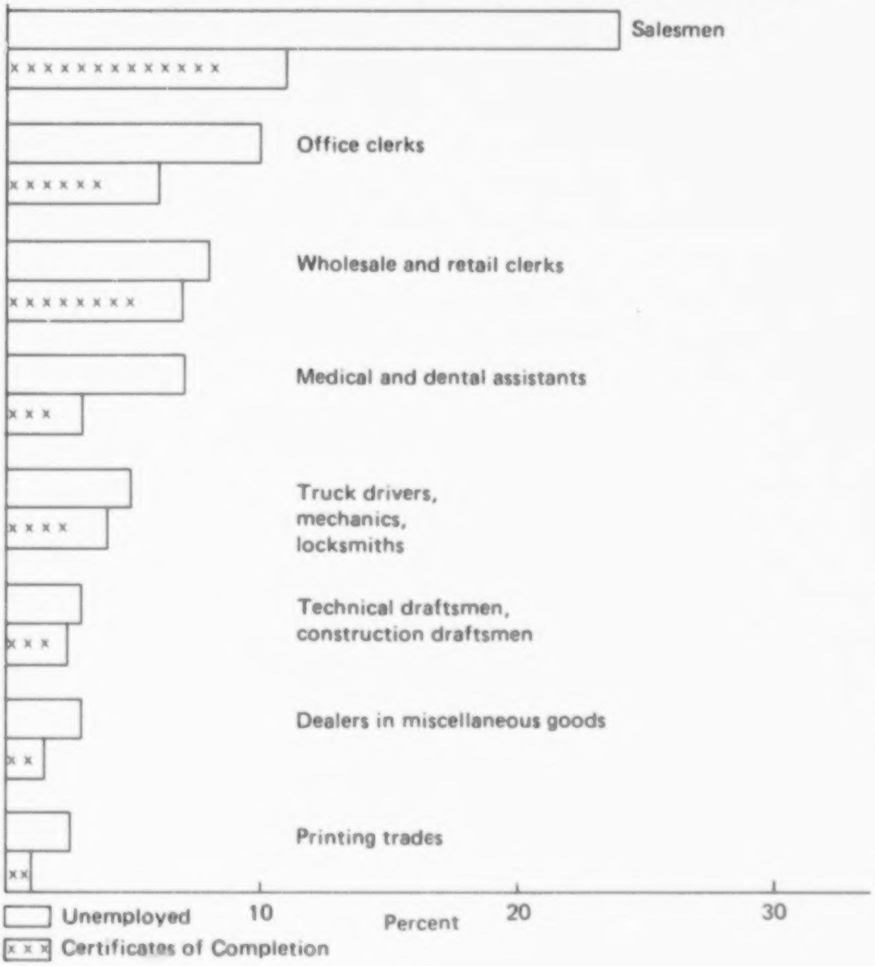
> those youths who broke off their training immediately before unemployment were already affected by the beginning of the recession—although only a few of them gave reasons relating to the industrial and economic situation for the termination of their training. This becomes apparent, because these youths were trained in vocations and fields that are particularly susceptible to cyclical developments, and mostly in smaller firms, and because most of them were not in those vocations that traditionally have a high rate of interruption of training. This group of unemployed youths who have interrupted their training in turn represents a selection according to qualification criteria—compared with unemployed graduates—because a large percentage of them have not graduated from basic school. However, for this group . . . the training program was discontinued a long time after the trial period, in other words, the aptitude for vocational training was absolutely evident.

Thus, it is not so much personal qualifications and motivation as the general economic situation that is to be held responsible for the interruption of training. This argument is also supported by the fact that many of those who broke off their training were in regions with high unemployment.

About half of the unemployed youths who had completed their training had received it in small firms, that is, in firms that could not keep them on because the employment of even one youth might be too costly. About 45 percent of these youths had received their training in commerce and 20 percent in service sectors. Clearly training contracts with small firms provide fewer opportunities for employment later on.

Compared with the total number of training positions, there have been a few especially hard-hit occupations represented among unemployed youth with completed vocational training: salesmen, office clerks, commercial clerks, medical and dental assistants, construction-related trades, and printing trades (Figure 2). This concentration in certain occupations, however, is less evident than is often suggested in public dis-

Figure 2. Percentage of unemployed completers of vocational training, 1974,[a] and of outstanding certificates of completion in the dual system, 1974, by occupation group of training[b]



[a] Does not include foreigners.

[b] Includes 67 percent of all unemployed completers of vocational training and 39 percent of outstanding certificates of completion in the dual system.

cussions; in particular, a surplus of what are often called "fashionable vocations," for example, truck mechanics, electrical engineers, and certain office jobs could not be recognized distinctly, at least not in 1974.

Former employment and length of unemployment. About 80 percent of unemployed youths under 20 had been employed before, but quite naturally this tendency varied directly with age. Whereas about 40 percent of those under 18 had not held a job before, only about 5 percent of the 18- and 19-year-olds had not been employed. Large proportions of unemployed youths had been employed in manufacturing, as well as in commerce and in construction. They were likely to have been employed in labor-intensive activities, as they often function as apprentices in such work. In addition, 42 percent of the unemployed youths had been employed less than six months in their former job, compared with only 18 percent of all unemployed. And about 40 percent of unemployed youths had previously worked in small firms, in contrast with only 27 percent of all unemployed. Thus, not only with respect to training but also with respect to previous employment, small firms represent a relative risk for youth.

Unemployed youth who have not completed vocational training but have been employed show a relatively high concentration in certain occupations, such as auxiliary workers, warehouse workers, and unskilled metal workers. As to length of unemployment, about 66 percent of the unemployed youths had been out of work less than three months in September 1975, compared with only 42 percent of all unemployed. For those under age 18, the average duration of unemployment was even less than for the 18- and 19-year-olds. As already suggested, this must have to do with the fact that school graduates usually go through a period of unemployment that is relatively short while looking for their first job. Another reason may be found in the training programs provided for youthful unemployed persons, which attract more and more youth back into training, rather than permitting them to be registered as unemployed any longer. Moreover, the duration of unemployment tends to vary inversely with educational attainment: in 1974, 31 percent of those who had graduated from upper-secondary schools were unemployed less than one month.

In conclusion, the structure of youth unemployment clearly shows the process of selection at work. However, it is doubtful that this can be called an "achievement selection" in each individual case. Naturally, one could make a general statement that the more able and diligent youth tend to be put on the right "school track" when they are 10 years old. It is probably also true that the more intelligent and diligent youth will as a rule finish their training and secure for themselves a better vantage point in the struggle for jobs. Finally, it is also true that particularly competent youth are more likely than less qualified ones to be kept on after training, even if there is a lack of need for junior staff.

However, youth unemployment shows certain structural characteristics that can hardly be influenced by the individual. In view of the shortage of training positions, the choice of regional location or of a small firm for training can no longer really be controlled by youth. Finally, training in trades that were particularly hard hit by the cyclical depression is accepted by youth only when other training opportunities are not available. In addition, youth with little experience are usually working in labor-intensive fields, which in turn are under particular efficiency pressures. Moreover, youth are protected by special provisions of the labor law, and their obligation to attend vocational school part time reflects both educational and social policy. Finally, there is greater job protection for older employees, which often leads employers and shop committees to dismiss younger workers or to solve economic problems by temporary stoppages of work rather than dismissals. Certainly none of these factors can be attributed to individual youth, nor are youth responsible for inadequate vocational training if there is a shortage of training positions or if there are inadequate connections between education and vocational training. Data compiled by the Federal Labor Institute also show that occupational counseling, to which every youth is entitled, as we shall see later, had benefited only about one-tenth of employed youths who lacked vocational training. These facts must be taken into consideration before accepting global judgments questioning the personal qualifications and motivation of unemployed youth.

Causes of Youth Unemployment

The fact that youth unemployment in the Federal Republic was scarcely a problem until 1974 indicates the influence of general economic developments on job opportunities for youth. Young people, of course, have advantages and disadvantages in the labor market. Their lack of experience lessens their employment opportunities in a period of low economic growth; however, they are often considered physically more productive, more mobile (because they are often not married), and more adaptable than older workers. In a period of high unemployment, it is especially important to recognize these specific advantages and disadvantages of youth, because a successful struggle against youth unemployment is possible only if these characteristics are taken into consideration. The correct and most efficient method of fighting youth unemployment, however, is a policy which aims at the restoration of full employment. Before getting into policy issues, though, it is necessary to consider certain factors which play a special role in youth unemployment.

Official unemployment statistics, as we have seen, do not include young people who are in school or in vocational training or are looking for a training position. Moreover, in recent years the enrollment rates of young people in schools and universities have significantly increased. This has been a factor relieving the labor market in general and the job market for youth in particular.

In view of the direct relations between the training system and the labor market, the number of unemployed youths must necessarily increase if the number of training positions is insufficient. In this sense, the growing scarcity of training positions and student places—especially in vocational training but also as a result of restrictive quotas on university enrollment—have intensified the youth unemployment problem.

Training positions for vocational education. The so-called *dual system,* in which the youth (or their parents) enter into a contract with the training firm, has been traditional in Germany and was continued after World War II. For a large proportion of young people (about 45 percent of those 15 to 18), this training comprises the "upper-secondary level." The youth receive compensation from the firm, and the apprenticeship usually lasts for three years. They are obliged at the same time to attend public vocational school for 6 to 12 hours a week (depending on the state).

When training positions in industry become scarce, the danger of youth unemployment is increased. Table 18 shows that the supply of training positions has fluctuated to a certain extent with cyclical developments. This fact, however, does not explain the downward trend in the number of training positions from 1967 to 1975. Other causes have been more significant in this respect. To understand these causes, the threefold function

Table 18. Training places and economic fluctuations, 1950 to 1976 (numbers in thousands)

Year	*Training places*	*Percentage change since previous listed year*	*Percentage change in Gross National Product since previous listed year (1970 prices)*
1950	977		
1955	1,432	46.6	
1960	1,198	-16.4	
1965	1,220	1.8	5.5
1966	1,246	2.1	2.5
1967	1,263	1.3	-0.1
1968	1,249	-1.1	6.5
1969	1,149	-8.0	7.9
1970	1,145	-0.4	5.9
1971	1,134	-1.0	3.3
1972	1,154	1.7	3.6
1973	1,159	0.4	4.9
1974	1,150	1.0	0.4
1975	1,138	-0.7	-2.5
1976	1,121	-1.5	5.7

Note: The total number of training places for most training occupations includes three to three-and-one-half training years, so that a smoothing of annual fluctuations results. Only those training relationships that are supervised by the Federal Labor Office are included.

Source: Bundesministerium fur Bildung and Wissenschaft (Federal Ministry for Education and Science); and *Statistisches Bundesamt* (Federal Statistical Office).

of the dual system must be recognized: the activity of the apprentice is at the same time (1) training (in the interest of the apprentice), (2) development of junior staff (in the interest of the firm), and (3) provision of additional income for the young person (in the interest of the apprentice and the parents). In addition, the apprentice represents cheap labor, even within regular training, insofar as his training involves activities that yield products or services sold by the firm at normal prices.

The dual system is training geared to educating youth for a practical vocation while providing the necessary theoretical foundations, either in the firm or in vocational school. A certificate of qualification is issued based on a final examination, which represents the foundation for the later occupational career. Usually the firm profits from the productive labor of the apprentice. In fact, if the firm has taken on more apprentices than it needs for its own junior staff, the compensation and training costs cannot be justified economically unless the firm at the same time profits from the labor of the apprentice.

Since 1950, the supply of apprenticeships has usually been larger than the demand. Table 19 shows how these relationships changed from 1973 to 1976. Even when the supply has been larger than the demand, however, this has not meant that all

Table 19. Changes in supply and demand for training positions in firms, 1973 to 1977 (numbers in thousands)

Supply and demand	*1973*	*1974*	*1975*	*1976*	*1977*
Supply	552	480	481	514	
Percentage change from previous year		−13.0	0.1	6.9	
Demand	466	471	486	523	557[a]
Percentage change from previous year		1.2	3.1	7.6	6.5[a]
Excess (+) or deficiency (−) of supply compared with demand	+18.4	+1.7	−1.1	−1.8	

[a] Estimate

Source: 1973–76 Vocational Training Report (*Berufsbildungsbericht,* 1977).

youths who did not attend a full-time school at the upper-secondary level would undergo apprenticeship training. On the contrary, there have always been a number of "young workers," that is, youth without training who have entered the labor market as unskilled workers at 15 to 16 years of age. The number of these young workers significantly declined from 1960 on, but the increasing shortage of apprenticeships in recent years has been accompanied by an increase in the percentage of young workers without training.

In the past, the enormous surplus of apprenticeships enabled youth to reject training offers that did not correspond to their interests, that they did not consider promising for their careers, or when they disliked the employer or the economic conditions seemed unsatisfying. But even when there was a general surplus of training positions, the supply was not balanced regionally or between city and country. Thus, the surplus of apprenticeships did not mean a sufficient supply for all youth; in rural areas and in small towns, youth were often compelled to choose from a very narrow supply if they wanted to be apprenticed and to continue living with their parents. Thus, their vocational careers were prematurely restricted by regional economic conditions.

The reasons for the decline in training positions are manifold. President Stingl of the Federal Labor Institute has recently pointed out the possibility that today the economy in general can manage with a lower level of training for an increasing number of employees due to automation, but this thesis cannot be proven. The employment market is still looking for skilled workers with qualified training, while unemployment of less qualified workers is on the increase. But the training requirements do not always coincide with the former vocational training. In this respect, the balance between supply and demand is extremely unsatisfactory. More important in explaining the decrease in training positions is the fact that the economy, and especially manufacturing, is expecting only minimal growth, which can essentially be handled by more economical use of labor and technical progress. Thus an expansion of personnel in enterprises is not anticipated, as a rule (Table 20).

Table 20. A survey of enterprises relating to the expected development of their employment structure in the medium-term future

Type of worker	*Expecting an increase*	*Expecting number to hold constant*	*Expecting a decrease*
Total	11.6%	76.8%	11.6%
Women	8.6	82.8	8.5
Part-time workers	5.3	77.1	17.5
Foreigners	5.5	73.0	21.5
Older workers (over 50 years of age)	8.3	73.6	18.0
Young workers (under 20 years of age)	14.0	80.8	5.1
Apprentices	17.5	76.6	5.8
Managerial employees	7.1	88.1	4.8
Skilled workers	24.8	64.3	5.6
Administrative positions	8.0	72.0	20.0
Research positions	16.8	80.0	3.1

Source: IFO–*Institut Schnelldienst*. November 8, 1977, June 28, 1977.

The thesis that educational policy decisions have contributed to the scarcity of training positions is definitely provable. However, it would be a mistake to stamp these decisions, on the whole, as erroneous. Assuming that training under the dual system does include the motivation of cheap labor on the part of the employer, it is obvious that every stiffening of training regulations and every improvement in the protection of youth against possible exploitation by the employer must lead to increased training costs and to the elimination of inadequate training positions.

Discussion of the quality of vocational training in the 1960s induced a number of state governments to look into the matter. The results of these investigations were at times horrifying; they revealed an enormous number of training positions that corresponded in no way to the demands for a sound foundation of vocational training. The resulting Vocational Training Law of 1969, passed by the Great Coalition of political parties, raised the legal standards for the quality of vocational training, systematically strengthened the rights of apprentices in the firms and undoubtedly made training more difficult, more expensive, and occasionally more troublesome and irritating for the firms.

While the economic costs per training position were certainly increased in this way (making it less profitable for firms to offer training positions), there were at the same time two additional developments that negatively affected the supply of training positions. Scientific developments made it necessary for an increasing part of education to be transferred to the theoretical level, and this also reduced the usefulness of apprentices for profitable business activities. It was also necessary to increase the percentage of general curriculum hours—for sports, social studies, and so on—in order to provide for youth opportunities that were comparable with those of young people continuing in secondary schools. Finally, the compensation for apprentices increased disproportionately. This also contributed significantly to the rise in the cost of vocational training for the firms (Table 21).

The inevitable consequence of all of these tendencies was a decline in the number of training positions, a result that insightful experts, by the way, not only predicted but considered

Table 21. The increase in the compensation of apprentices in comparison with earnings of skilled workers and costs for apprentices' subsistence, 1971 to 1977 (1971 = 100)

Expenditure item	*1971*	*1972*	*1973*	*1974*	*1975*	*1976*	*1977*
Compensation for first-year apprentices	100	117	140	170	185	200	213
Compensation for apprentices, average, first to fourth year	100	115	130	160	170	180	197
Compensation for fourth-year apprentices	100	112	125	150	160	170	181
Earnings of skilled workers—certificate holders	100	108	116	130	140	150	160
Costs for apprentices' subsistence	100	106	110	120	135	140	151

Source: Handelsbich, July 8/9, 1977.

necessary and unavoidable as early as 1969, during the debates over vocational education reforms. It was the goal of all parties concerned with those reforms to eliminate training positions that were qualitatively unsatisfactory, if necessary through compulsory standards and related controls. Their rationale was that it is not necessarily in the interest of vocational education to create new training positions of doubtful quality under the impetus of youth unemployment. However, in the absence of labor market alternatives, a poor training position may be better than none. In times of need, "the devil eats flies," as the saying goes.

The discussion about the decline of training positions has become one concerning the "guilt" of the state, of educational reforms, and of trade unions and employers. This is nonsensical, for the requirements of qualified training have increased with the progress of science and technology. Traditionally, however, a significant number of training positions have been supplied by smaller trade and craft firms, which often admit being unable to provide the theoretical and technical breadth of future-oriented training. Higher training costs for expanded training are a necessary consequence. Undoubtedly there have been excessive demands for more rigid standards as well as decisions that went beyond practical and necessary changes. These demands and decisions may have eliminated a training position here and there that might still exist otherwise. But this would not affect the general tendency, and the overall supply of training positions was certainly not influenced by such misjudgments.

The decline in training positions was not primarily caused, as representatives of business often mistakenly maintain, by irritation of employers over public discussions of "exploitation of apprentices" by "capitalist" firms. The critical debate, especially in the 1960s, was not primarily concerned with the training system in general or with abuses in firms but with the quality of training and with the necessity of finding new organizational forms (for example, training institutes outside of the firm) to ensure this quality. These new organizational forms necessarily meant increasing costs and greater hardship for the individual firm.

Thus, the rational background for the decline in training positions lay in the raising of standards on the one hand, and in the controls associated with legally intensified requirements, the increasing costs resulting from these higher standards, and the rapidly rising compensation for apprentices on the other hand. Moreover, especially after 1973, there was a gradual decrease in the need for trained junior staff because the need for workers in the industrial sector was generally declining. This was also true in certain service sectors (trade, banks, and so forth), which in the past had provided an important share of the training positions. In these areas, technological progress and its resulting structural changes (such as supermarkets and computerized accounting) have caused an enormous decrease in the number of jobs and, as a result, in the need for trained junior staff.

Table 18 shows that the decline in training positions began about 1967 and accelerated after 1968. Because of full employment and the great surplus of training positions that had existed, this development went essentially unnoticed by the authorities. In this connection, the fact that responsibility for vocational training generally did not rest with departments of education and culture but with departments of commerce or labor—at the federal and state levels—was significant. Only after the combining of jurisdictional responsibility in 1972–73 was it possible to gain an overview of developments; by then, however, it was rather late to take the appropriate measures.

As the scarcity of training positions became more and more clear, the debate turned from the quality of training positions to the new question of how an adequate supply of positions could be secured. In view of rising costs, the question of who was carrying the financial burden of training in the economy had to be asked. A commission appointed by the federal government (the Edding Commission) concluded that a relatively small number of firms (about one-sixth) finance all of the industrial training. A significant number of trainees, particularly in crafts, train in small firms and then go to work for larger industrial firms. The result is that important sectors of the economy share inadequately in the training costs. This occurs in spite of the fact that training costs play an increasing role in the provision of training positions. For this reason, the commission concluded that there should be a general levy on all firms to provide funds to finance training positions in those firms that were prepared to conduct training. These proposals were highly controversial economically and politically. The demand for apportioned financing was rejected on the ground that it would mean a further increase in training costs for all firms and thus a further decrease rather than an increase in the supply of training positions. The federal government tried to settle the question in 1975 by proposing legislation providing that if, in the previous year, the supply of apprenticeships exceeded the demand by less than 12.5 percent, a levy would be imposed on all firms that were not training and were of a certain minimum size. The bill did not pass. The details of the actual measures taken will be discussed later in connection with the struggle against youth unemployment.

Another critical factor was the insufficient number of training positions outside of firms. Those trades that require increasingly theoretical and technical knowledge that cannot be supplied by individual firms must be provided with training institutions outside of firms for various industries and regions. Such training positions are expensive, however, and cannot be financed by smaller firms. Therefore it became necessary to close this critical gap, which indirectly had contributed to the decline in training positions, through public subsidies.

Today, there is no doubt that there is a shortage of training positions. The significance of this for youth unemployment, however, is doubtful. The statistical data for September 1976 record only 5,834 applicants for training positions in firms, a number that corresponds to 6 percent of unemployed youths under 20. If the figure is compared with all unemployed youths 15 to 24, it amounts to less than 3 percent. Thus, from a statistical point of view, the scarcity of training positions seems to be of minor importance for youth unemployment. Moreover, there was no change in the situation between 1975 and 1976. The theory that the shortage of training positions does not play a very great role in explaining youth unemployment is corroborated by the fact that there are many training positions in business that are not filled. It was reported, for example, that in the fall of 1977 every fifth training position in the construction industry was not filled. This alone would amount to about 5,000 training positions. Further, a significant number of training positions for hairdressers, restaurant workers, retail clerks, and butchers and bakers were left open. Precise statistics on the overall situation are not available, because only a portion of the training positions are obtained through the labor office.

For the individual youth it may be better to obtain any training position, even if it is qualitatively inadequate and in an occupation that is unpromising in relation to future employment, then none at all. At the level of the national economy, however, the provision of such training—and the costly consequences of a possible need for later retraining—is problematical. Furthermore, young people do not always feel that any training position is better than none; in the construction sector, in which many people lost their jobs in the economic crisis of 1974–75, youth are found to reject training positions because of the insecurity of future employment. However, the willingness to accept a training position is influenced not only by future opportunities and conditions of training, but also by such factors as regular working hours, free weekends, and cleanliness and prestige of the activity. This is why, for example, youth dislike training positions in the restaurant business, where they have to work evenings and weekends.

In weighing the significance of the shortage of training positions for youth unemployment, we must counter the statistical situation and the existence of unfilled training positions with the existence of concealed youth unemployment. There is certainly a significant number of youths who could not obtain a training position but did not register as unemployed because they could expect neither a training position nor unemployment benefits. On the whole, therefore, the scarcity of training positions is an important factor in youth unemployment. Moreover, a narrow balance between supply and demand for training positions cannot be considered sufficient because of regional variations and differing vocational interests of young people. A significant surplus of training positions is needed if all those who are seeking training positions are actually to find them.

Openings in full-time secondary schools. The three-level school system which forces 10-year-old children to decide on future schooling after the fourth grade has, as we have seen, had the effect of expanding enrollment in the *Gymnasium*. In 1967, there were about 63,000 graduates from the *Gymnasien* (*Abiturienten*). By 1976, this number had doubled, with 127,000 graduates reported. If this number is compared with the graduates of basic schools, the shift becomes obvious. In 1967 there were 462,000 graduates of basic schools and in 1976 only 425,000. A forecast for 1985 estimates 190,000 graduates of *Gymnasien* and only 366,000 from basic schools. In spite of the growth of enrollment in *Gymnasien*, there was practically no change in the student-teacher ratio because of a significant expansion of the teaching staff—the student-teacher ratio remained about 19 to 1. There was however, a slight increase in the number of students per class (from about 29 in 1967 to 30.5 in 1976), because the compulsory hours of teachers were reduced. Moreover, in the years from 1967 to 1975, public expenditures per student at the *Gymnasien* doubled, increasing from 2,000 to 4,070 DM. This means that for educational facilities in the *Gymnasien*, there is considerable pressure but no critical problem that would lead to rejection of youth. The increasing cohorts, however, in the coming years, could mean difficulties, as we shall see later.

Vocational schools, in contrast, which must be attended by youths 15 to 18 who do not go to full-time schools, are seriously deficient in both teachers and facilities. This, however, does not entail shortages of training places in these schools. The deficiencies are qualitative rather than quantitative. The deficiencies do not cause unemployment except indirectly, when the youth later enter the labor market and lack the necessary qualifications.

In contrast, the lack of vocational/technical schools at the upper-secondary level is definitely a cause of youth unemployment. The expansion of this type of school was provided for in the joint educational plan, and today about 300,000 youths are enrolled in these schools. There is an unsatisfied demand in this field, however, which cannot be quantified. Without doubt, the expansion of technical schools can contribute to the elimination of youth unemployment.

Enrollment quotas at universities. Youth unemployment is also intensified because universities are unable to admit all secondary school graduates who want to enter. In recent years, more and more fields have introduced the *numerus clausus*—that is, an absolute limit on the number of new students admitted per academic year or per semester. Considering the expansion of enrollment in the *Gymnasien,* the demands with which universities have had to cope in recent years become obvious. Expansion of the universities was the only way in which the growing percentage of youths who wanted to enter could be accommodated. The number of German first-year students rose from 91,000 in 1967 to 160,000 in 1976. The total number of German students enrolled increased from 392,000 to 840,000, on an annual average basis, in the same period, more than doubling. Added to this are about 8 percent who are foreign students. The increase in enrollment from 1960 to 1976 is indicated in Table 22.

While the enrollment increases in the *Gymnasien* could be more or less absorbed through construction and additions to

Table 22. Number of enrolled students and of academic personnel in universities, 1960 to 1976 (numbers in thousands)

Year	*Total students*	*First-time students*	*Academic personnel*
1960	291.0	79.4	19.3
1970	510.5	125.7	53.8
1971	587.4	143.5	64.4
1972	625.5	155.5	70.5
1973	714.2	164.7	74.5
1974	772.5	168.3	77.9
1975	815.4	166.6	78.3
1976	877.3	168.1	77.5

Source: Bundesministerium für Bildung und Wissenschaft (Federal Ministry for Education and Science), *Basic and Structural Data* (provided by the Academic Council).

teaching personnel, this was not possible in the case of the universities. Although total expenditures for the university sector increased from 4 billion DM in 1967 to about 14 billion DM in 1976 and academic personnel doubled, the *numerus clausus* was introduced in many fields, and the waiting periods for entry into universities became much longer (Table 23).

The rush to the universities is often considered to be the result of the educational reforms, which stressed equality of opportunity, a better general education for all, and longer compulsory education. This interpretation stresses the point that, because admittance to universities was not to be essentially limited to those whose parents were graduates of the *Gymnasium* and because graduation from the *Gymnasium* was not to remain the only means of access to the universities, public attitudes tended to overestimate the value of academic and professional careers, and this caused the rush to the universities. We have earlier shown, however, that an educational system which compels the parents of 10-year-olds to make crucial long-run educational decisions will necessarily result in overvaluation of academic studies. This is simply because parents and children

Table 23. Data indicating increasing problems in access to universities, 1973–74 to 1975–76

A. Rise in average grades of *Abitur* holders for admission according to performance, by field of study

Year	*Total*	*Medicine*	*Dentistry*	*Biology*	*Pharmacy*	*Psychology*	*Nutrition*
1973–74	13.8	1.9	2.1	2.7	1.7	2.3	3.1
1974–75	12.4	1.7	1.8	2.4	2.0	2.1	2.4
1975–76	11.3	1.6	1.6	2.3	1.9	2.0	1.9

B. Rise in waiting period (in years) for admission according to waiting period, by field of study

Year	*Total*	*Medicine*	*Dentistry*	*Biology*	*Pharmacy*	*Psychology*	*Nutrition*
1973–74	19	4	4	1	5	4	1
1974–75	22	4	5	2	5	4	2
1975–76	25	5	5	2	6	4	3

Source:

will try to choose the best opportunities as long as the real chances of the individual child cannot be predicted. If the best opportunities are chosen for 10-year-olds, there will always be an opportunity to shift to less favorable options later; but if less favorable options are chosen in the first place, the best opportunity can be regained only with extreme difficulty and in exceptional cases.

The current explosion of enrollments in the *Gymnasien* and the universities was statistically foreshadowed in school transitions nine years ago—that is, before the beginning of the educational reforms of 1969–70. The explosion was caused by the three-level school system itself, the reform of which is often opposed by adherents of the traditional system, who at the same time complain about the crowding of the universities.

The waiting period before entering the universities, caused by the maladjustment between the capacity of the universities and the demand for enrollment, is an additional contribution to youth unemployment. This is likely to intensify, since new university regulations will remove the possibility of the so-called parking studies. Today, for example, applicants for medical school enroll in different departments, such as biology, for a considerable period of time without any intention of completing study in that field. This in turn caused these departments to introduce a *numerus clausus,* which in terms of students' actual choice of profession would be unnecessary. These "parking studies" are to be made more difficult by limiting second fields of study.

It is hard to quantify the impact of the *numerus clausus* on youth unemployment. Graduates of secondary schools who are waiting to be admitted to a university or have given up hope of admittance usually have superior opportunities to gain a training position or a job in a private firm. In this way, they displace less qualified youths from basic schools and do not appear themselves as a signficant factor in youth unemployment statistics. Indirectly, they are probably an important factor.

Clearly, questions of capacity in the educational realm represent essential elements in the youth unemployment problem. Even though there are unused capacities—both in vocational training positions in firms and in some fields within universities—questions must be raised about the goals of the training or education and the future need for qualifications so acquired. Moreover, the problem of educational capacities has an impact not only on youth unemployment but also on the goal of a more equitable distribution of educational opportunities. The three-level school system, which corresponded traditionally to the social class structure of the nineteenth century, is as such opposed to equality of opportunity. Parents of socially disadvantaged classes are not equally able as parents of more advantaged classes to bring their children up to a level of education at age 10 which will guarantee the transition to the *Gymnasium*. More important, however, is the fact that the growing selection pressures in the schools demand sacrifices and support from parents which often cannot be given, especially when both parents do not have an educational background themselves and also when both may be working.

In recent years, the opening up of the *Gymnasium* has been successful, in spite of the inadequacies of the three-level school system, in raising the percentage of children from working-class families among students in secondary schools and at the universities (Tables 24 and 25). In view of the capacity problems at the universities, however, the process of selection at the point of transition from primary school to the *Gymnasium* (fourth or fifth school year) has again developed adversely for the children from less well-off socioeconomic groups. The same is true for the intensified selection in the secondary schools themselves, which makes it unlikely that the percentage of working-class children with improved educational opportunities will rise in the coming years.

In addition, youth with better certificates are beginning to compete in the classical areas of vocational training. Those who are refused admission to the university, or are waiting for it and want to undergo vocational training in the meantime, can obtain a training position much more easily with the *Abitur* than can a graduate from basic school. This process of social displace-

Table 24. Social origins of *Gymnasium* students, 1965[a]

Social origin (occupation of father)	Students 10th school year	Students 13th school year	Male employed workers over 40 years of age[b]
Number	100,488	52,826	7,893,000
Percent	100.0	100.0	100.0
Officials	25.1	27.6	8.7
Salaried employees	33.6	32.0	21.9
Workers	10.0	6.4	45.2
Self-employed	20.5	18.3	22.5
Free of occupation	9.0	12.4	1.7[c]
Without an occupation or occupation not reported	1.8	3.3	
Percent having graduated from universities	22.4	30.1	

[a] These data result from individual questionnaires administered to over 150,000 pupils in public and private *Gymnasien*, May 15, 1965.

[b] *Mikrocensus* of April 1966 (not including members of the armed forces). The German *Mikrocensus* is a periodic household sample survey.

[c] Unpaid familiy workers.

Source: Federal Statistical Office.

ment reinforces the social structure of unemployment already described.

A sufficient supply of educational and training capacities, geared to the changing occupational structure of demand, and the readiness of youth to take up these training places are decisive prerequisites for the reduction of youth unemployment.

Qualifications. The Federal Republic is characterized by shortages of qualified workers on the one hand, and a renewed rise in the total number of unemployed in 1977 on the other. These conflicting tendencies often suggest that raising the general level of educational attainment would reduce unemployment. Undoubtedly, this is appropriate for the individual case. Possibly improved all-round qualifications would also increase the total number of jobs available in some fields. However, raising qualifications generally as a means of achieving a comprehensive solution to the unemployment problem in general,

Table 25. Social origins of university students, 1954 to 1971–72

Social origin (occupation of father)	*Total students*		*First-time students*		*Male employed workers over 40 years of age*
	1954	*1966*	*1967–68*	*1971–72*	
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Officials	34.7	30.9	26.6	24.5	8.7
Salaried employees	23.7	31.7	32.5	34.5	21.9
Self employed	33.6	29.5	31.4	26.7	22.5
Agricultural	4.6	2.8	3.0	3.6	
Workers	4.9	5.7	7.6	11.7	45.2
Occupation not reported	0.4	2.2	1.0	2.1	1.7

Source: Federal Statistical Office.

and youth unemployment in particular, seems doubtful. The fact that the less qualified workers have a higher share in unemployment reflects not only the need for more qualified workers but also the competition for jobs, which will inevitably be present as long as the total demand for labor does not increase substantially.

Because youth with a lower level of education tend to experience a higher share of unemployment, discussions revolve again and again on the need for a general improvement in vocational education as a means of eliminating youth unemployment. This, too, must be discussed with great caution. The question of qualifications is not identical with the problem of the supply of training positions. A sufficient supply of training positions, which would also be taken up by youth, would necessarily absorb a number of unemployed youths and thus reduce the youth unemployment rate. But the question of the role of the insufficient qualifications in explaining youth unemployment raises the issue of how far improved education for youth would result in higher demand for youth in the labor market. The structural description of youth unemployment has shown that the unemployment rate for dropouts is higher than for graduates who have not completed vocational training; that those who have completed vocational training have better chances of employment; and that university graduates have significantly better opportunities for employment than youth in general.

However, as a result of competition, in each case the less educated and less qualified is replaced by those with superior qualifications in periods of an insufficient total demand for labor. Graduation from basic school used to mean an advantage in job seeking over dropouts; now the intermediate certificate or even the *Abitur* has become an important aid in the struggle for the limited supply of vocational training positions. True, the balance between demand and supply in the labor market can only be achieved if certain qualifications can be supplied in larger amounts. There is a demand for technical labor that cannot be satisfied today. However, it is not only technical qualifications but also personality and the readiness and willingness to work that will play an essential role in satisfying this demand. These characteristics are not necessarily related to formal qualifications.

Improved qualifications will help the individual, but the improvement of the level of qualifications as a whole will not necessarily reduce unemployment. Good general education and realistic training are essential for international competitiveness of the economy as well as for competitiveness of the individual. They are, however, no guarantee against increasing unemployment in world economic crises, in periods of rapid national structural changes, and in periods of a general and structural recession in the demand for labor.

A few words must be added about the problem of relations between supply and demand in vocational training. Hofbauer and Kraft (1974) found enormous changes in occupations for vocational trainees or persons who had completed training. About half of the trainees had changed the place of training after the first year of training; and about 40 percent of workers who were asked in 1974 about their past vocational careers had changed their field of work. The percentages of changes in industry were especially high and were lower in trade.

It may be concluded that improving educational and training attainments all along the line would be no guarantee against youth unemployment if the qualifications attained were not in harmony with the changing occupational structure or if the overall demand for labor did not correspond to the supply. Certainly, those who have already undergone one type of training are usually more apt in retraining, but caution is needed in accepting the idea that youth unemployment can be solved by raising qualifications alone.

Juvenile law and labor cost. We have already noted that special protections for youth in labor law are partially responsible for the reluctance of employers to hire youth, and thus these protections contribute to youth unemployment. The current Youth Protection Labor Law, which had remained practically unchanged since 1960, was revised May 1, 1976. This law must be viewed in relation to other laws which also have special provisions for youth, such as the Works Constitution Law (1972) and the Labor Security Law.

The Youth Protection Labor Law applies to employees under 18 years of age and now covers young civil servants for the first time. It provides that the minimum age for employment must be 15 instead of the former 14 years. It lengthens the annual vacation minimum, limits hours of work to 40 hours per week (formerly 44 hours generally for youths over 16 and 48 hours in family work and agriculture). Saturdays, Sundays, and legal holidays are free as a matter of principle. Work may not begin before 7 o'clock in the morning (previously 6), and exceptions are allowed only for purposes of vocational training. A shift may not exceed 10 hours, or 11 hours in the restaurant business. The former prohibition against piecework will be expanded. In addition, annual health examinations are mandatory. Penalties against employers who violate the law were made more severe.

During the debates over this law, controversies arose over the impact of stricter protective measures in certain economic sectors and especially on the supply of training positions. For example, in the restaurant business, the originally proposed provision, which absolutely prohibited work on weekends and holidays, appeared likely to reduce the number of training positions in this field even more. The law was, therefore, at first rejected by the Federal Council and was passed only after mediation proceedings which classified the restaurant industry under exceptional rules which provide that youth who are compelled to work on weekends and holidays (even when in training) get a weekday off in exchange.

The debates over this law made it clear once more that youth protection and employment opportunities are directly related. The discrimination against certain groups in the labor market, which is refelected in relatively high unemployment rates for those groups, is the direct result of the interest of private and public employers in achieving continuous labor performance at the lowest possible cost. Therefore it must be recognized that the particular protections granted to youth, women, and the disabled can lead to discrimination in the search for a job. For the protection of disabled war veterans and of the handicapped, there is a law that obliges private and public employers of a certain minimum size either to employ a certain percentage of disabled within their total employment or to be relieved of this obligation by paying a fee. There are no corresponding requirements for youth or women.

There is no doubt that youths under 18 and women were formerly often employed as particularly cheap labor. The improvement of protective laws, as well as approximation of wages and salaries of youth and women to the wages received by adult men, were socially warranted and inevitable. But economically the higher wages have raised the relative costs of employing youth and the employer can therefore no longer offset the higher costs of protective laws by lower wages. This is especially important for the compensation paid to apprentices. We have seen how this compensation has risen relative to training costs and salaries and wages in general (Table 21).

The extra costs associated with protective laws for youth are not precisely measurable. They include the right and duty of youth to attend vocational school 6 to 12 hours a week, as well as such factors as the prohibition of overtime work and the right to longer vacations. Though not precisely quantifiable, there is no question that these differential costs are higher today than 5 or 10 years ago. Nor can there be doubt that these additional expenses are necessary—not only to guarantee adequate education but also to protect young employees who do not have a chance for a full-time education from premature wear and tear at their jobs. But the consequences must be recognized, in terms of higher costs and youth unemployment. It should not surprise anyone that an analysis of the employment offers in May 1977 indicated that out of 243,000 offered positions, 87,000 required a minimum age. In 36,000 offers, the applicant had to be older than 18, and in 33,000 could not be less than 24 years old.

Job security of adult employees. Just as youth protective laws help to explain youth unemployment, so job security laws have a negative influence on the younger generation in a period of a stagnating labor market. While youth are relatively adaptable and efficient in competition with older employees, they will often not find employment because the older employees enjoy special protections which make it impossible for the employer—either legally or financially—to dismiss older employees in favor of younger competitors. When cutbacks in employment are required, youth are often less protected than older employees who have been with the firm longer. Younger employees are, therefore, the first to be dismissed.

The goals of job security laws, of course, have to be affirmed. Employees who have to support families—especially those over 50, who would hardly be able to find new jobs because of their age—are in need of job security in economically difficult times. Job security is an essential part of social security and an important prerequisite of social stability. And yet it presents an obstacle to youth who are seeking their first jobs. Youth also incur particular risks of dismissal in cutbacks. This is especially true when large cohorts are entering the labor market, as in the 1975–85 period.

Competition between young German employees and foreign workers is a different matter. The discontinuation of labor contracts with foreign workers has resulted in a significant exodus of such workers. The extent to which a further reduction in foreign labor contracts in favor of a sharply increasing indigenous youthful generation is justifiable in social terms, as well as from the point of view of foreign trade and foreign relations, will be discussed more fully later.

4

The Social Consequences of Youth Unemployment

In considering the consequences of youth unemployment, we must distinguish between individual and social aspects. Thus far, only marginal impressions are available with respect to the individual and psychological results. Long-term consequences in particular can be predicted only with difficulty, in view of the fact that the problem was practically nonexistent from the mid-1950s until the beginning of the 1970s.

In public discussions, social consequences are in the foreground. The thesis that youth unemployment causes crime, drug consumption, and alcoholism among youth is widely accepted. Studies show, however, that unemployment in general—and this certainly includes youth unemployment—has serious psychological consequences for the individual and that social consequences are often overestimated. However, these findings must be interpreted cautiously. Intensive investigations of the social consequences of youth unemployment in the Federal Republic have been completed only in recent months; and long-term studies are practically nonexistent because of the long period of full employment.

To begin with, crime rates of youth showed no increase, but rather a general decrease, in the 1970s (Table 26). This was also true for adults. These statistical findings are similar to those resulting from studies in other countries. A summary by

Table 26. Delinquency and crime rates for major groups of offenses and age groups, 1955 to 1975

Major offense group (felonies & misdemeanors)	*Year*	*Criminally liable*	*Juveniles*	*Adolescents*	*Young adults*	*Adults*
Offenses against the state and public order	1955	54.1	17.8	91.7	141.3	47.6
	1960	49.9	28.3	98.1	119.3	40.1
	1965	40.8	20.0	84.8	104.7	33.8
	1970	33.6	24.6	81.6	95.3	26.6
	1975	31.0	23.2	69.7	81.2	24.9
Sex offenses	1955	34.2	44.9	48.2	43.5	31.1
	1960	34.0	75.3	63.6	51.6	26.1
	1965	24.8	50.3	49.9	51.1	18.7
	1970	16.4	28.5	30.2	37.0	13.0
	1975	13.9	15.1	29.7	35.6	10.8
Other crimes against persons	1955	135.9	64.8	241.0	321.2	119.5
	1960	140.3	88.7	290.2	324.7	111.9
	1965	113.4	78.3	236.2	265.8	94.7
	1970	103.6	108.1	244.1	250.5	83.3
	1975	105.2	115.7	237.7	236.5	84.4
Theft and embezzlement	1955	224.5	444.8	633.6	604.6	133.4
	1960	223.1	685.6	684.0	551.1	109.4
	1965	203.2	645.5	651.5	509.0	112.3
	1970	290.0	1037.5	850.9	666.2	165.2
	1975	301.7	802.8	771.2	594.5	199.5
Robbery and extortion	1955	3.5	5.0	15.4	13.3	1.5
	1960	4.5	11.8	21.1	13.3	1.5
	1965	4.5	13.1	35.4	14.9	1.6
	1970	6.5	25.9	33.1	19.6	2.2
	1975	9.3	33.9	43.5	30.0	3.0
Traffic violations	1955	555.0	221.6	1130.0	1281.8	484.2
	1960	558.1	270.0	1331.7	1289.6	436.8
	1965	604.3	382.3	1441.7	1594.0	479.8
	1970	644.5	294.9	1548.1	1748.5	532.8
	1975	600.8	331.7	1478.7	1426.3	498.4
Other crimes	1955	323.8	140.9	475.0	636.9	306.3
	1960	316.0	212.0	556.0	645.4	268.7
	1965	243.3	171.4	474.9	575.9	204.0
	1970	251.2	221.2	515.0	653.3	206.6
	1975	281.3	260.0	662.1	736.8	219.5

[a] Data for 1955 and 1960 are for the Federal territory without the Saarland and Berlin; after that they are for the Federal territory. They refer to persons convicted.

Opaschowski (1976) makes it clear that various social groups in the Federal Republic (for example, the Association of German Criminal Investigators and also journalists and judges) write and talk about the consequences of youth unemployment in connection with criminality and drug consumption as though these were matters of fact, whereas the sociological data available hardly support such assertions. In Opaschowski's view, corroborated by earlier studies of Beerman (in Schelsky, 1952), there is a connection between the impulse to form gangs and engage in crime, as well as a higher rate of repeated offenses, and youth unemployment. But he believes that crime leads to youth unemployment rather than the other way around. The majority of members of gangs are economically, socially, and educationally on the lowest rung of the social structure. The result is that juvenile delinquents are particularly susceptible to unemployment. However, this does not lead to the conclusion that the unemployed are susceptible to crime.

> The slipping into a criminal subculture and the danger of brutalization do not exist, because most unemployed youths are not looking for the lifestyle of cliques and subcultures, but are in loneliness and isolation. They feel stigmatized, excluded from work, and without the possibility of securing their existence by working productively. Deviant behavior, such as committing a criminal offense, for example, would push them farther into the role of an outsider and would not strengthen their already damaged self-esteem. For this reason, unemployed youths avoid any kind of conspicuousness; they mix with already existing cliques and groups and conceal their unemployed status. They do not build a counterworld, but on the contrary, try to demonstrate their similarity and equality by overadapting. [Opaschowski, 1976, p.44]

Opaschowski points out that social workers and teachers, in particular, who are directly involved in various field experiences, do not observe tendencies toward criminalization, but rather the opposite development. In a study conducted by the city of Munich (*Münchner Stadtanzeiger*, May 23, 1975) it was found that the juvenile crime rate in the city fell steadily from 1973 on. There was an especially steep decline in 1974 and 1975. Without doubt, there was an increase in youth unemployment in Munich in these years. Even offenses that are associated with youth groups, such as "rock criminality," have decreased by 40 percent in Munich since 1974.

The same results were found in a study conducted in Duisburg-Hamborn over many years, indicating that since 1971 juvenile delinquency cases have continuously decreased while youth unemployment has increased. The statistics show a relationship with economic developments, but the opposite from that expected by journalists, with a low point of juvenile delinquency following the 1967–68 recession and a high point in the boom period of 1971–72. There are a number of explanations for this development: on the one hand there is the "overadaptability" of unemployed youth, and on the other hand the fact that self-control of social groups, families, and relatives increases in times of unemployment.

There are no studies that statistically analyze the proneness of unemployed youth to drug consumption and alcohol. On the basis of information from a few social welfare experiments, however, abuse of drugs and alcohol by unemployed youth cannot be confirmed even after intensive observation. Opaschowski (1976, p. 44) observes: "Unemployed youths show typical, everyday behavior of working youths, which includes two to three glasses of beer. The lower availability of pocket money prevents any kind of escape into alcohol. The youths have a hard time to pay for their daily smoking needs and for a glass of beer at the bar. It is considered absolutely luxurious if a young man is able to buy his 'pearl' a coke."

Evidently the individual psychological consequences of youth unemployment are far reaching. The tendency to withdraw has already been mentioned. Opaschowski reports on studies that show a tendency for unemployed youth to adopt a single-minded orientation toward employment. "This total fixation on money can go so far that the possibility of accepting a temporary job as solicitor for a book club on the next day is preferred to the prospect of a permanent job two or three weeks later" (1976, p. 44).

In Duisburg-Hamborn, an attempt was made by five "street workers" to establish contacts with about 130 unemployed youths between the fall of 1975 and the spring of 1976, with the aim of intensively discussing their situation and at the same time giving them technical help toward reintegration into the labor market. The results showed that the majority of these unemployed youths, probably influenced by the length of their unemployment, assumed a relatively calm and sober attitude. Unemployment was considered a structural problem of society—not a problem of which they themselves were guilty and which they would have to overcome eventually. Their reaction is a certain abstinence from consumption and a retreat to the family, while retaining at the same time a relatively unlimited readiness for work. In contrast, there were smaller groups of especially active, confident unemployed youth at one extreme, and apathetic and resigned youth at the other extreme. These studies, however, cannot yet be generalized.

Results of studies conducted by the German Youth Institute (*Jugendinstitut*) in 1974–75 are similar. Furthermore, they suggest that the self-confidence of unemployed male youth is more gravely affected than that of young women by the lack of training position or a job. Apparently the self-image of women as potential housewives and mothers, who do not work anyway, plays an appeasing role. Thus, while in a period of unemployment, young men strive to adjust by improving work and qualification requirements, and women tend to adapt by reverting to the traditional role of wife and mother. In this way, unemployment among young women reinforces their social dependency, temporarily if not permanently.

Here we must add a word about political radicalism. On the basis of hindsight, we can see that the economic changes that have beome apparent since the oil crisis of 1973 have led, with respect to the political position of youth, toward a consensus with adults. Since 1971–72 there has been evidence of decrease in radicalism at the universities, and there can be no doubt that the pressure to achieve and to qualify for a job resulting from unfavorable labor-market developments has narrowed rather than widened the scope of political activity. This does not mean that youth who submitted to this pressure accept the society that exerts the pressure more than they accepted it in the past. It only means that they see the necessity of giving in to the pressure in order to protect their own opportunities. The state of affairs cannot be judged by the present terrorism of a tiny group of extremely radical and determined persons who are in most cases not youths any more. This terrorism developed in a period when a youth unemployment problem was practically unknown, and apart from its international connections is a product of industrial society which perhaps finds special expression in the Federal Republic. In general, however, an increasing trend toward conformism rather than toward more violent conflicts with existing society can be seen among youth.

Finally, we need to mention briefly the problem of young foreign workers. As we have seen, there are no statistics on unemployment among them. However, the dangers of radicalization under conditions of long-term unemployment, especially for those with language difficulties and social isolation, are obvious. This is particularly relevant where foreign workers live under unfavorable conditions and a geographical concentration of underprivileged persons results. This problem must be observed with great care in the coming years.

In conclusion, there are general social consequences of youth unemployment, but they do not express themselves primarily in increasing crime, drug consumption, or alcoholism; on the contrary, they seem to be characterized by a tendency toward isolation and an attempt to adjust. For a single young individual who undergoes the experience of unemployment at the beginning of his or her career, the consequences can be incalculable. The results of the shattering of self-confidence at an early age, of resignation, and a lack of trust in the entire social system cannot be determined today. The dangers, however, are evident.

The Struggle Against Unemployment

The problem of youth unemployment, as we have seen, is primarily a problem of inadequate demand for labor. Certainly the most successful way to fight it is to restore full employment; this goal, however, has not been achieved in the Federal Republic since 1974. An unemployment rate of over 3 percent would not be considered full employment even on the basis of recently altered criteria and in the face of the obvious problems of regaining full employment. (The measures that are adopted internationally on the basis of different experiences and assumptions are not in agreement on this percentage.)

In the struggle against youth unemployment, measures that would favor youth in the general labor market at the expense of adults are disqualified, even though the youth unemployment problem is considered a particularly difficult social and political burden. Governments, not only of the Federal Republic but also of the Common Market countries and of the most important democratic industrial nations, have emphasized at various conferences (most recently at the London Summit) the youth unemployment problem as a special challenge. And yet it is recognized that there is no social group whose unemployment does not present particular problems. Thus, the unemployment of people over 50, who have to support a family and have only slim chances of regaining an adequate job, is also considered a significant problem. Likewise, the unemployment of a young father 25 to 35 years old is no more bearable in social terms than that of a youth. Again the question of youth unemployment must be seen in the total context and not in isolation. This is not an argument in favor of making light of youth unemployment; naturally, special efforts must be made to combat it. However, since a struggle against youth unemployment waged at the expense of other groups of unemployed can neither be accepted by these groups of workers nor by the unions (a loosening of job security provisions for older workers, for example, is out of the question), specific measures against youth unemployment will have to concentrate primarily on the educational sector in its broadest sense.

Before concentrating on policies against youth unemployment, let us consider briefly the general measures taken in the Federal Republic to restore full employment.

General economic policy. General measures of economic policy have been central in the attempt to restore full employment in the Federal Republic since 1974; labor-market policy measures, in contrast, initially considered quite frequently, have remained politically and financially in the background. The economic measures have been aimed primarily at stimulating private and public investment. In addition, there have been tax measures designed to lower operating costs, as well as general economic measures to increase private and public demand.

In this connection, it must be remembered that an effective stabilization policy was not possible until the decontrol of exchange rates. Up to that time, stability in the Federal Republic had caused speculation in favor of the German mark, which in turn had negative consequences for stability because of the increase in German mark liquidity. In the spring of 1973, after decontrol of exchange rates, the federal government fought increasing inflation with general stabilization measures. The oil crisis changed the underlying data and the entire economic climate radically, in spite of the fact that the export boom of 1974 made full employment possible at first.

In the spring of 1974, when declining demand was noticeable in the Federal Republic (while as yet no dangerous tendency toward unemployment was apparent on an international scale), the federal government changed its policies because of the international consequences of the increase in the price of oil. (At the time, in May 1974, the unemployment rate was only 2 percent and there were two million foreign workers employed.) Restrictive measures that had been in effect up to that time to protect monetary stability (for example, special taxes on investments) were abolished. An economic program for areas with structural problems was adopted with the participation of the state governments, with total expenditures amounting to 900 million DM. This program concentrated primarily on infrastructure investments of communities and on building plans for those areas. In September 1974, another regional program followed, amounting to 950 million DM; and, finally, in March 1977, a public-investment program was developed that would concentrate on water supplies, the energy economy, and transportation investments, and would cost 16 billion DM over a four-year period. One-fourth of the total expenditure was to be made in the first year.

Apart from strengthening public investments, an attempt was also made to control unemployment by strengthening private investment. In December 1974, assistance for equipment investments in trade and industry was provided, and in August 1975, stimulation of building plans was emphasized. Finally, income taxes were lowered in the summer of 1977. Investment capacity, especially of smaller and middle-sized firms, was to be strengthened by this reduction.

Along with this policy of stimulating investment, significant budgetary deficits were risked, and a program of sufficient monetary supply and low interest rates was pursued by the Federal Bank (*Bundesbank*). The deficit of the federal government, the federal states, and the local government amounted to about 4.5 percent of GNP in 1976, or considerably less than the debt rate of other comparable industrial nations at the time. The discount rate, which had been 7 percent in 1973, decreased to 3.5 percent in September 1977. Cooperation between the Federal Bank and the government was excellent in these matters.

In spite of the new net indebtedness in 1976 and 1977, however, public expenditures were not able to stimulate expansion sufficiently. For this reason, rates of increase of federal expenditures were raised—from 3.5 percent in 1976 to 6 percent in 1977, and to 10.5 percent in 1978. The federal government supports this policy of fiscal expansion with a bill for tax reductions, but thus far it has not passed because of a veto by the Federal Council.

These expansionary policies, however, have not been successful in improving the employment level, although they may have prevented an even more serious unemployment situation. The employment results of various labor-market measures will be discussed later. However, the lack of success of fiscal policy—which incidentally has been supported again and again in Parliament by the opposition party—has led to more and more vigorous debate about the structural problems of the labor market, the low increase of demand both inside and outside the country despite the increase in productivity, and problems of saturation of the domestic market and insufficient purchasing power, as well as increasing international competition.

In discussions of the causes of unemployment, employers usually point to the large increases in costs during the early 1970s, stressing wage increases and social benefits as deterrents to investment, whereas the unions insist on world economic developments, unaltered high productivity in the face of slowly growing needs, accelerated rationalization of production (efficiency measures) owing to technical innovations, lagging domestic demand as a result of market saturation in important industries, and related overcapacity. Finally, the unions accuse employers of uncooperative operating practices, such as overtime and special shifts instead of new jobs.

The political parties have taken their positions essentially along similar lines, if not with the same rigor. The conservative Christian Democrats blame inflation on wage and welfare policies, exceeding social possibilities, which the social-liberal coalition has pursued since 1969. The Social Democrats, in contrast, explain unemployment primarily as a result of world economic developments since the oil crisis, with occasional accusations of conscious obstruction by employer policies.

In reality, the problem is probably much more complex than presented by either of the two sides. Certain special conditions in the Federal Republic have to be kept in mind. The international monetary system resulting from the Bretton Woods Conference, the shortcomings of which were recognized at least by the end of the 1960s, led to continuous exchange speculations toward revaluation, in view of the obvious undervaluation of the German mark. These could only be fought, under fixed exchange rates, by a significant increase in German mark liquidity, that is, by the purchase of depreciating dollars in exchange for marks. This resulted in an uncontrolled boom, with enormous investment and capacity expansions between 1968 and 1973, especially in the Federal Republic.

The revaluation speculations only reflected the culmination of drawn-out distortions of the exchange value of the mark. As early as 1961, a controversy over this issue existed between Ludwig Erhard, then minister of economic affairs, and

Konrad Adenauer, then chancellor. The reconstruction of the almost totally destroyed country after the war resulted in high capacities that could not be maintained on a long-term basis for domestic requirements alone. For two decades, the low exchange value of the mark also stimulated the expansion of export capacity, which no longer corresponded to the real level of costs. The export aspect of expansion was thus based on products which, because of high wages, could not, at the existing level of industrialization and the stage of development of the Federal Republic, have been produced competitively except for the undervaluation of the mark. As a result, in contrast with the general trend in Western countries, the share of the industrial sector in the German economy did not decline in favor of the service sector, but, as we have seen, increased continuously.

Today the main problem of unemployment in the Federal Republic is as follows: A general wage level exists, which to be sure is still competitive internationally, in view of the fact that the country will once more achieve a trade surplus (about 34 million DM, in 1977) in spite of a revaluation of about 70 percent in relation to the dollar since 1969. The problem, however, is that an industrial and employment structure developed during the period of fixed exchange rates based on a level of costs kept artificially low in international competition, which had to undergo significant change after exchange rates were decontrolled. When decontrol occurred in the spring of 1973, it became clear that certain sectors of production would now lose out in the international as well as the domestic market under increased pressures to import. Economic sectors such as textiles, shoes, and leather goods—generally labor-intensive sectors—as well as some other manufacturing sectors were increasingly affected by this development. In addition, the period of reconstruction came to a close. Demand was exceptionally high in the 1950s and 1960s, because the needs of reconstruction as well as of normal growth had to be met. We have noted earlier the development of overcapacity in the construction industry. Thus, a decline in employment, especially in construction, was a natural result.

Another cause of the decline in employment is the continued increase in productivity, which in most sectors today is rising more rapidly than demand, whereas formerly gains in productivity were more than compensated by the growth of demand. Moreover, certain technological changes have facilitated significant efficiency measures. This applies especially to increasing control of work processes by computers. In the printing industry, for example, a revolution is occurring that parallels developments of the fifteenth century.

Along with these economic developments has come increasing political insecurity, which in turn has led to a more cautious attitude on the part of businessmen. Whatever political party is in office is held responsible for this attitude on the part of business. (This is as true of France and its liberal-conservative government as of the Federal Republic, with its Social Democratic government.) Arguments over these phenomena, however politically opportune they may be, tend to result in dangerous disorientation of the voters through the implication that political change alone would bring about an essential improvement in the situation. Yet the political insecurity of the business community does not depend on which government is in power but on the uncertainty of future political and economic development in a closely knit world economy that is undergoing rapid structural changes and is burdened by strong political tensions.

One must consider, also, the complex internal political developments in some European countries, the shift in power relations of the superpowers since the end of World War II, and the rise of formerly third- or fourth-rate countries to economic world power. In this context, one cannot be surprised if responsible business managers favor more cautious decisions. In such times of change, businesses will try to keep fixed costs as low as possible. In view of the difficulties of dismissing personnel, therefore, firms will tend to retain the smallest possible permanent staff, using overtime and special shifts when necessary. Larger firms (for example, Volkswagen) have openly admitted that they will reject especially large orders and let them go to a competitor, rather than adjust their personnel capacity to carry out such orders.

All of this must be seen against the background of inflation, which leads to an inordinate increase in the cost of services, although the service sector would ordinarily offer the most promising possibilities for employment expansion. A special aspect of this situation for the Federal Republic—in view of the decline in the relative value of other currencies—is that Germans are now tourists in other European countries, where expanding tourism employment is occurring, rather than at home.

Labor-market policies. While general economic policies to combat unemployment have been emphasized in the Federal Republic since 1974, there have also been measures aimed directly at the labor market. In the fall of 1973, the so-called "recruitment stop" cut off the influx of foreign labor at a time of full employment because of the prospects of increasing social problems. In several German metropolitan areas, foreign workers had exceeded 25 percent of the employed population. Ghetto and class problems were developing, which in time would have to be met. The recruitment stop limited the total number of foreign workers permitted in the Federal Republic. Subsequently, policies relating to foreign workers became an important instrument of labor-market policy. With the increase of unemployment from 1974 on, many expiring foreign labor contracts were not renewed, leading to a decline in the number of foreign workers in Germany.

Even today, however, about four million people of different nationalities live in the Federal Republic. Most of them are foreign workers or members of the families of foreign workers. Among them are almost one million youths under 18. These youth—some in school and some already seeking employment—will present a particular problem for training and the labor market in the coming years.

In the area of labor-market policy, the direct creation of additional jobs stands in the foreground. As early as December 1974, in addition to investment stimulation, labor-market policies involved employment assistance in the amount of 600 million DM (about $228 million), of which the largest part (500 million DM) was to be used for wage subsidies for the hard-to-place unemployed, while the other 100 million DM was to be used for mobility allowances, that is, to promote geographical mobility of the unemployed. These measures were used especially in areas with above-average rates of unemployment. In addition, the former period for short-term work benefits was extended from 12 months to 24 months. Employees who were unable to work the full weekly hours because of the diminished work load of their firms received public assistance beyond the usual term. This allowed employers to bridge the stagnation of orders without dismissals.

Another program adopted in November 1976 had the same objectives, involving total expenditures of 430 million DM, of which 100 million DM went toward the placement of 10,000 severely disabled unemployed. Federal Labor Institute data on the reduction of unemployment resulting from these measures of job creation or of facilitating short-time work are shown in Table 27.

Table 27. Reduction of unemployment (numbers in thousands)

	1974	*1975*	*1976*	*1977*
Reduction of work time in firms though short time	70	175	60	42
General measures of job creation	6	30	58	63

Specific Measures Against Youth Unemployment

As we have seen, specific measures against youth unemployment took the form primarily of educational policies. In view of the jurisdiction of the states over all essential decisions of educational policy, the variety of measures in the different states must first be considered. On November 15, 1976, the federal-state commission adopted a "program for the realization of urgent measures for the reduction of unemployment risks of youth." This program was accepted by all the states and represents the framework within which they will carry out a coordinated policy for the control of youth unemployment. It deals with expansion of educational capacities but does not touch on the problem of technical/vocational schools that provide full vocational qualifications, which will be very significant in the successful control of youth unemployment. The program concentrates on the following measures:

1. Expansion of the basic vocational education year and of educational courses that train for an occupation
2. Expansion of training positions in the dual system
3. Expansion of vocational schools
4. Vocational counseling
5. Opening up of the universities

These educational measures are aimed at controlling youth unemployment in two ways: (1) relieving the labor market by prolonging periods of schooling and (2) improving qualifications and thus permitting youth to fill jobs for which qualified applicants are lacking today.

Increase of school and training positions. In the context of youth unemployment, the question of the length of compulsory schooling has gained a new dimension. The unions and the Social Democratic Party, in particular, demand the introduction of the tenth compulsory school year, primarily to relieve the labor market. The issue of the tenth year, which was already discussed in the 1950s and 1960s, today deals primarily with the question of whether it should be vocational or general. The advocates of vocational education stress the point that youths 15 and 16, who would be subject to the tenth compulsory year, generally show a high degree of "school-weariness," and could be kept in a general education program only reluctantly and without educational success. A year of vocational education, in contrast, would have the advantage of providing all youths who are not going on to a continuing school (*Realschule* or *Gymnasium*) an opportunity for instruction geared to a vocation. This would offer a broader foundation for those youths who wish later on to take up a practical vocation.

A second question concerns whether a vocationally oriented tenth year should be arranged in connection with the firms or rather as a theoretically oriented "vocational fundamental school year." In recent years models for both alternatives have been developed, but it turned out that a fundamental vocational school year would present difficulties at the point of transition to training in a firm. Because of a federal requirement equating this year with the first year of training in the dual system, firms would be forced to advance a graduate of a fundamental vocational school year to a second year of training in the firm. The firms have pointed out that graduates of the vocational school year often lack the knowledge required for the second year of apprenticeship. The so-called "credit ordinance," that is, this obligation for firms to accept graduates of the vocational school year into a second year of apprenticeship, has boomeranged in its effect on the training of youth: firms have increasingly refused to accept graduates from the vocational school year into training.

Those who do their first year of vocational training in a firm do not encounter similar difficulties. Here, as well, basic insights are taught and primarily theoretical and technical knowledge is covered, but the fact that practical training is included makes it undoubtedly easier for the firms to accept those completing the first year of training into the second year.

Since 1971, the number of youths who are either in the vocational school year or in a vocational basic training year has steadily increased. From 4,000 in the school year 1971–72, it rose to 27,000 in 1976–77. (The expectations, however, had been for 37,000 as early as 1975.) According to the program for the realization of urgent measures of November 1976, the number of youths in the vocational training year and in the vocationally instructive courses is expected to be 76,800 on an annual basis in 1977 and 120,000 in 1982.

Although there has been no binding decision concerning the introduction of a tenth compulsory school year as yet, there has been a tendency for the number of students completing a tenth school year in the basic schools to rise. This does not involve direct vocational preparation, but it does mean improved qualification of youth in the transition to vocational training, as well as general relief for the labor market.

If the decision is made to make the tenth year of basic school obligatory, it will be an important step, for as long as there is a choice of whether to continue at school for a tenth year or to enter the labor market immediately, the less qualified will tend to enter the labor market and become unskilled workers. The risk of unemployment of these youths is, of course, especially high.

Full-time schools at the secondary level. In the debate over a tenth school year, the federal government has taken the position that it prefers the introduction of a vocational training year or a vocational school year at the upper-secondary level as the first occupationally oriented training year. Thus, the official plans of the federal government are currently aimed at expansion of full-time schooling at the upper-secondary level for all youths in the tenth year of education. Beyond this, the focus is on the expansion of technical schools. The overall educational plan envisions a substantial increase, while the "urgent measures" anticipate an increase from 354,000 in 1977 to 372,000 in 1980. The expansion of the *Gymnasium*, however, does not present any capacity problems.

Increase in training positions with firms. In connection with the future of the dual system, it must be kept in mind that the number of graduates from secondary education is constantly rising. As a proportion of the population of the relevant age, the percentage of graduates from the *Realschule* has increased from 10.9 percent in 1965 to 22.2 percent in 1974, more than doubling. The high and rising percentage of graduates from the *Realschule* and the number of youths who seek a training position but cannot be placed in one by the labor offices indicate that this group is meeting with increasing difficulties in the realization of its original training goals owing to the scarcity of training positions. In addition, the dual system will be burdened in the coming years not only with quantitative problems associated with increasing numbers in the relevant youthful age group but also with qualitative problems that did not exist in the same measure earlier.

To bring about an increase in training positions, appeals to the private economic sector have been made by the federal government and the states in recent years. There have also been public awards for firms that increased the number of training places, and both federal and state public agencies have increased their numbers of training positions beyond those actually required for the training of junior staff. Finally, appeals have been directed at the youth themselves to accept training positions, if necessary, that do not quite come up to their expectations.

We have earlier noted that educational policy decisions have accelerated the decrease of training positions in the private sector. Insofar as such developments can be avoided, within the parameters of qualitatively improved education, the federal government has made attempts to correct the educational policies. This has been true of requirements for training facilities as well as other training requirements that were particularly difficult for small firms.

Financial issues have been central to the federal government's policies for increasing training positions. We referred earlier to the recommendations of the Edding Commission and to the rejection of the federal government's bill aimed at partial implementation of those recommendations. An even more modified bill was then introduced which would have affected only firms with a payroll of more than 400,000 DM per year. Even this legislation, though enacted, was heavily attacked by the private sector, in spite of the fact that about 90 percent of all firms would not have been subject to the levy involved. All but 6 percent of crafts firms and 9 percent of trade firms would have been excluded.

In 1977, the question of application of the law arose, but the federal government dispensed with the levy, because firms engaged in training had agreed voluntarily to assume the responsibility for adding 100,000 training positions. In fact, the training positions have increased in 1977, but it is not yet clear whether the total of 100,000 additional positions will be reached.

The expansion of training institutes outside for firms has also been encouraged by the federal government. We noted earlier that, in view of the rising qualitative level of training requirements, a number of middle-sized and smaller firms could not meet these requirements and maintain their training positions unless aspects of vocational training were taken by adequately equipped institutions outside of the firm. As early as 1973, 180 million DM were allocated for this purpose by the federal government, and the states were pursuing the same policies. The program of "urgent measures" of November 1976 included an expansion of training positions in training institutes outside of firms from 43,000 in 1977 to 77,000 in 1982.

Student places at the universities. The role of expansion of university education in relation to the struggle against youth unemployment is controversial. The opinion is frequently expressed that the rising number of students threatens to increase unemployment of university graduates. For this reason, it is argued, in view of the slim chances for employment of graduates in certain fields (for example, teachers, sociologists, and political scientists), a further increase in the number of students would not contribute to the struggle against youth unemployment. Not only would the additional years of study be expensive for the nation, but they would be followed by unemployment of graduates, with all of its social and political dangers.

This danger would indeed exist if, as in the past, the university student expected employment in his field of study after graduation. There is no doubt that this has been the expectation so far. Indeed, most parents and students hold the government responsible for an adequate supply of jobs after the completion of studies. In spite of repeated statements on the part of the federal government and people in other responsible positions, a change in this attitude can hardly be noticed. Unemployment of graduates is considered misplanning and a political as well as an individual problem, whereas the unemployment of skilled workers (as in printing, for example) is accepted as a necessary consequence of technological changes.

Although relationships between academic education and jobs cannot actually be solved, the federal government advocates increased admissions to universities in view of the prospect of increasing youth unemployment among larger cohorts of young people. The government's demand for opening up of the universities and for avoidance of the *numerus clausus* is not only a policy for the universities but part of a total educational strategy: those *Gymnasium* graduates who are presently waiting to be admitted to universities represent dangerous competitors for other youth who have not completed a *Gymnasium* education. From the point of view of educational policies, open access to the universities is also more appropriate than the present practice of enforcing a *numerus clausus* based on grades that cannot be compared and entailing considerable pedagogical disadvantage in the upper levels of the *Gymnasium*.

The federal government sees no alternative to opening up the universities, since there are at present no adequate alternative choices for rejected students, in spite of the programs to expand training capacities. In the coming three to four years, the impact of the years of high birth rates will be particularly critical in the area of vocational training, because the age of entrance to vocational training programs is earlier than that of entrance to universities. The Federal-State Commission for Educational Planning therefore considers it necessary to create about 200,000 additional training positions as well as 70,000 full-time vocational school positions. This tense situation should not be made worse by pushing a substantial percentage of university applicants into training positions outside of the universities where they would be competing with graduates of basic schools and *Realschule*, who are dependent on these positions. Certain training areas, such as banking, which are offered as alternatives to university studies, or at least are seen as such, already present a greater maladjustment between applicants and available positions than in the university fields most severely affected by the *numerus clausus*. The opening up of the universities could act as a signal for special efforts in other training areas (Federal Ministry for Education and Science, Press Release, May 2, 1977).

For this reason federal and state heads of government are debating the elimination of the *numerus clausus* in all but seven basic subjects. An agreement was pending in October 1977 but was not reached owing to last-minute disagreement between the states with Social Democratic governments and those with governments controlled by the other parties. The goal of these joint attempts at eliminating the *numerus clausus* is to maintain an expansion target of about 850,000 student places and to provide an even greater educational capacity through an "overload quota" until about 1990 to accommodate those born in the years of high birth rates. The disadvantages for the quality of education that could result from this are understood. Even so, the "overload quota" is considered appropriate to help the large cohorts of the coming years. In addition, a specific program for the improvement of the situation of the junior academic staff was adopted. (This concerns a relatively small number of highly qualified scientists who are to receive additional research opportunities at the universities.)

Improvement of existing qualifications. One of the characteristics of the labor-market situation in the Federal Republic is the fact that there are numerous vacancies in private industry and public administration that cannot be filled because of inadequate qualifications of applicants. There is no agreement as to the causes of this discrepancy. A general decline in the qualifications of young trainees cannot be conclusively determined. However, there is no doubt that types of training are acquired that are not in demand in the labor market, necessitating later retraining, and further that young people want qualifications that cannot be provided in sufficient volume—that is, easy, clean white-collar work. In order to improve qualifications and adjust them to changing demands, a number of measures have been taken.

Almost all the states have adopted programs to make it possible for those who have dropped out of basic school (to go to work) to return to school for graduation. The courses last from four to six months and are available for youths both under and over age 18. Frequently they are conducted by the so-called people's universities (*Volkshochschulen*). The programs have in part scored considerable successes. Critics remark, however, that the completion of basic school graduation is simply "youth care," since graduation is only of limited help to youth later on. This charge is even more valid today, since graduation from *Realschule* and *Gymnasium* has become considerably more significant in the competition for training positions in firms.

Youth without a training contract are usually employed on the labor market as temporary workers. These "young workers" or "young employees" had been declining continuously in past years. Since the beginning of the current unemployment problem, however, the number of young workers has been increasing again. There is a danger that this tendency will persist in the coming years because of the shortage of apprenticeships. Opportunities for young workers on the labor market are reduced because of their obligation to attend vocational school part of the time. For this reason, several ministries of culture in the states have considered converting the vocational school requirement into one year of full-time vocational school for youth without a training contract. One of the reasons for this is the inadequacy of the part-time vocational school education for young workers without training contracts. In the absence of vocational training in a firm, there is no direct contact with the vocation in a vocational school. Thus vocational school attendance, with its "compensatory" educational relationship, becomes only an obstacle in the labor market.

Against this proposal it is argued that unskilled young workers "are simply easier to place, since the inconvenient weekly vocational school day—which has to be paid for by the employer—is dispensed with and since with the alternative learning plan the firms are provided with disposable temporary workers at the expense of the state" (Braun and Weidacher, 1976, p. 38).

In contrast, the plans for a "vocational preparation year," with an adequate arrangement of educational content, as provided by the state of North Rhine-Westphalia, must be judged more favorably. This accommodates youth who have not as yet decided on a vocation or cannot make enough progress in one year of vocational basic school. There must be a goal of leading them to a choice of vocation. In one full-time school year of classes that cover several vocational fields, youth should acquire the knowledge, ability, and modes of behavior that will enable them to make subsequent vocational choices.

In view of the fact that the shortage of training positions is one of the important reasons for the renewed increase in the number of "young workers" and in view of the probability that this tendency will persist in the coming years, a plan for a vocational school year for youth without training contracts seems reasonable only if they are not simply taken off the labor market but are given an opportunity to make reasonable vocational decisions.

Measures for vocational preparation. The Federal Labor Institute offers measures for vocational preparation. In 1975–76, more than 1,000 courses, with a total of 31,000 participants, were reported. The program includes further education as well as courses for improved integration into the labor market (for example, of the disabled). The aim of the measures for vocational preparation is to qualify the participant for a simple activity at the end of the course. The basic training courses financed by the Federal Labor Institute—in competition, as it were, with the basic vocational education year—are more practically oriented. Sometimes they are criticized for their emphasis on short-term applications of knowledge and their neglect of real basic training. They usually do not give long-term help, and their importance in the elimination of youth unemployment should not be overestimated.

Counseling services. In discussing counseling services, we shall make extensive use of a report prepared by the federal government for the European Common Market. The expansion of the counseling system has been strongly emphasized in recent years. In a decision of 1973, the conference of cultural ministers of the various states formulated comprehensive guidelines for the development of an efficient counseling system. Within the schools, the counseling system focuses on psychological services and on counseling teachers employed at the school.

The main task of the psychological services consists of recognizing and diagnosing difficulties and problems of students and treating them properly in collaboration with the parents and the school. In addition, the services aid students and parents in making decisions about school and educational careers through analyses, diagnoses, and counseling.

In 1975, a total of 390 psychologists were engaged in school counseling, suggesting that the effects of psychological counseling services in the schools must be very limited. The overall ratio of students to full-time school psychologists was 25,000 to 1. The plan adopted in 1973 provided for a ratio of 5,000 to 1 by 1980; the service must be multiplied at least by five to achieve the goals of the plan.

Academic counselors are trained for their tasks in accordance with special measures in the various states. Their main task is the counseling of students and parents about the various possibilities of school programs, including requirements and graduation qualifications. Further, individual counseling, especially in cases of student difficulties in learning, is provided. In 1975, there were trained active academic counselors in only five of the states. The ratio of 3,000 students to 1 counselor provided in the total educational plan has not as yet been achieved, while a ratio of 1,000 to 1 is sought by 1980.

The most important link between the labor market and the educational system is vocational counseling, which is conducted by agencies of the Federal Labor Institute and is aimed at advising youth and adults before and during employment on all questions of occupational choice and development. The institute also has responsibilities with respect to counseling on education. Vocational counseling is conducted in three settings: in school conferences, in parents' meetings, and in individual counseling sections. Again it is apparent that the system is quantitatively inadequate. In 1974–75, a total of 31,000 conferences on school careers were conducted, and, in 1975, 5,000 parent meetings were reported. The total number of persons who were counseled one or more times in 1974–75 was 946,000.

In addition to these counseling activities of the Federal Labor Institute, vocational counseling is also provided by local chambers of industry and commerce (*Industrie- und Handelskammern)*, for example, the crafts chambers (*Handwerkskammern*). Again the necessary number of counselers is lacking. In 1972 there was one training counselor for every 300 training firms and for about 1,300 trainees, indicating that intensive vocational counseling is not possible.

Looking at the struggle against unemployment in general and youth unemployment in particular, we find that the Federal Republic has been successful in recent years in stabilizing the number of unemployed but not in reducing it appreciably. On the contrary, a slight increase in unemployment was reported in the fall of 1977. In the battle against youth unemployment, a worsening of the situation is anticipated, in view of the increasing size of the age group, unless measures specifically directed against youth unemployment are successful The measures for the improvement of the economic situation provide necessary support for maintaining employment, but they will not increase employment to such a degree that elimination of youth unemployment will be possible, in view of rising productivity and the increasing size of the youthful population.

Among the specific measures for the control of youth unemployment, the most obviously effective is the introduction of the tenth educational year. In addition, the opening up of the universities, the increase in the number of training positions, and the expansion of technical schools are promising beginning.

In carrying out these conceptually correct measures, it will be important to organize the relations between the federal government and the states in such a way that planned and coordinated synchronization of these measures with overall economic policy is achieved. It will also be important to synchronize the educational and vocational systems more effectively. In this connection, studies must be taken into consideration that provide insight into the future changes in employment (see Table 20). Follow-up studies, such as those published by the Federal Labor Institute (*Vorausschau auf den Arbeitsmarkt der Bundesrepublik Deutschland bis 1990*—Forecasts of the Labor Market of the Federal Republic of Germany to 1990), must be taken into account in this connection.

It will also be important to keep in mind that, in addition to the normal rate of growth of age groups, the education and labor-market systems must handle not only an additional 80,000 young Germans each year (as a result of the high birth rate years), but also an annual average of 45,000 foreign children reaching the age of employment. In the next five years combined, Germans and foreigners together will need an additional 600,000 work and training positions.

The labor market in the Federal Republic will also be burdened by people of German origin immigrating from Eastern Europe (Poland in particular). Moreover, about 40,000 foreign youths have entered the Federal Republic as family members since the recruitment stoppage. The special problem that exists for the second generation of foreigners cannot be overlooked. Youth who grow up in the Federal Republic expect equality of rights to a larger extent than their parents did. A failure of social and vocational integration will be considered discrimination by the young foreigners and will lead to significant social tensions. In the overcrowded urban areas, in which the share of births among foreigners amounts to 40 or 50 percent of all births, this will be associated with significant social problems. The measures that will have to be taken here go far beyond the problem of youth unemployment.

The future supply of German workers (the German employment potential) will result from the interaction of population growth and annual productivity changes. According to estimates of the Federal Statistics Bureau, the German population will continue to decline in size. About five million fewer Germans are expected to live in the Federal Republic in the year 2000 than in 1975. However, the population reaching employment age will increase relatively markedly in the next

15 years, because those born in the high-birth-rate postwar years will become employable in those years. Only after 1990 will there be a decline in the German employment potential.

We have already noted that the annual number of births was particularly large in the mid-1960s, at around one million a year, whereas at the beginning of the 1950s it was only about 800,000 and today is only about 600,000. (There was a slight upturn in 1977.) Therefore, in the next three or four decades, unless there is a sharp, unexpected increase in the birth rate, the ratio of employed age groups to nonworking groups (children and retired older people) will be more in favor of the employed age groups than it has been in the past 10 years.

In view of the increasing size of the youthful population and the increased labor-force participation of women, the *Institut für Arbeitsmarkt= und Berufsforschung* (Institute for Labor Market and Occupational Research) forecasts (1976) that "in spite of longer and increased educational participation and in spite of earlier retirement possibilities, about one million more Germans will enter employment than will leave in the coming ten to fifteen years. On the supply side of the labor market there is occurring at present a basic change in tendencies compared with the last 15 years, in which the supply of German workers declined by about two million and foreigners were brought into the country to make up for the decrease."

A shortage of German workers will occur again about 1990, according to the same forecasts. In the event of unchanged labor-force participation rates among individual age and sex groups, the supply of German workers will decrease by one million between 1990 and 2000 and thus will reach the level of 1975 again. In the following two decades, up to the year 2020, there will be an additional decline of two million.

This development, which is particularly contingent on demographic developments, has special consequences for individual age groups. At the end of the 1960s, older employees were the center of worries, because relatively small cohorts of young people were entering the labor market. Today it is the young people who crowd the labor market, and this tendency will increase. At the beginning of the 1970s, about 700,000 young people left the educational system each year, and this number will rise to about 950,000 in 1981. A model calculation of "possibilities for covering the educational gap in the coming years," developed by Mertens and others (1977), is presented in Table 28. Column 6 shows how the "gap" will change over the years.

Dangers for the Future of Youth

At the beginning of this study we pointed out that young people do not statistically appear to face a crisis today in the

Table 28. School leavers and education and training places for new entrants to more advanced education and training or work, actual 1971 to 1976 and projected 1977 to 1990

		Training and education places for new entrants				
Year	*Total school leavers* (1)*	*University fields (2)*	*Full-time vocational schools (3)*	*Training places in firms (4)*	*Voluntary dropouts (10 percent of leavers)* (5)*	*Remainder (6)*
1971	705	105	70	460	70	–
1972	725	117	60	460	73	15
1973	743	122	55	460	74	32
1974	770	130	58	450	77	55
1975	780	133	60	445	78	64[a]
1976	784	136	62	440	78	68[a]
1977	852	140	64	440	85	123
1978	907	145	66	440	91	165
1979	895	151	68	440	90	146
1980	920	155	70	440	93	168
1981	952	157	70	440	95	190
1982	947	160	70	440	95	182
1983	926	163	70	440	93	160
1984	894	166	70	440	89	129
1985	851	170	70	440	85	86
1986	808	170	70	440	81	47
1987	766	170	70	440	77	9
1988	721	170	70	440	72	-31
1989	680	170	70	440	68	-68
1990	650	170	70	440	65	-95

*In thousands

[a] Effect of short school year

Source: Mertens and others, 1977.

Federal Republic of Germany. Youth unemployment is much lower than in other industrial countries, and tendencies toward demoralization, which have become noticeable in other countries, have up to now appeared only in very small dimensions in the Federal Republic. This is probably attributable in part to the relative decentralization in the population settlement patterns of the Federal Republic.

What is not tangible statistically, however, is not necessarily absent. The general developments of industrial societies display increasingly negative results for the personal development of the individual, and these results obviously do not bypass young people in the Federal Republic. On the contrary, since today's 18-year-olds grew up under conditions of advanced industrial societies, they are perhaps in special ways susceptible to the dangers lying before us.

The social-psychological situation of young people in the Federal Republic lies at the point of intersection between two tendencies. On the one hand, the limits and increasingly negative results of growth and well-being of industrial societies are recognized by youth; on the other hand, the world economic crisis of the 1970s has been viewed as only the acute phase of a long-term dialectical tendency of social and economic developments, with especially difficult repercussions on youth. Both developments–the long-term process of negative trends of high industrialization and the actual impact of the world economic crisis–have a cumulative effect, objectively as well as subjectively. Objectively, this negative effect results from the fact that high industrialization arouses expectations which the actual impact of the economic crisis has revealed as illusory. The expectations of youth, which resulted from the changes in the occupational structure and the educational structure, for example, were destroyed; the hope that each person could get the job of his or her choice has revealed itself as an illusion. Subjectively, one must recognize again that the 15- to 25-year-olds of today grow up in a period that accepted without question the benefits of unlimited growth and constant improvement of the standard of living. It was a time in which the economic well-being and broadening of individual private freedoms were understood as reciprocally conditioned developments rather than as contradictions.

The older generation tended to face the new developments of the 1970s on the basis of earlier experiences, which made them more skeptical. Young people, however, were unprepared and were abruptly confronted with new conditions, negative expectations, and a life perspective which adults could view optimistically.

All of these factors affect the situation of youth in the late 1970s, a realistic understanding of the causes of the problem, and workable stimuli for possible improvements.

There is no doubt that, after a long period of growth, new limits of economic development, which had unmistakable effects on other social developments, became apparent. After a period in which general expectations of life in industrial countries rose year after year, the rights of minorities improved, class barriers were lessened, and democratic rights deepened, a general disenchantment with progress appeared, which especially affected youth. Young people, who formerly were the greatest gainers in the improvement of well-being, became for the same reasons the clearest losers. The dialectic of economic outcomes that confronts us today has permitted the development of a feeling of crisis in Western society that can only be the result of long-term slackened economic growth and negative labor-market tendencies. No doubt, the reversal of scientific and economic progress becomes ever clearer on many fronts.

The sources of economic progress—division of labor and competition—are without doubt also the source of the mobile small family and the resulting isolation of its members. Similarly, division of labor and the associated achievement of a hierarchically ordered society lead simultaneously to increased competition as well as to homogeneity of people, and thus permit new and hitherto unknown fears to develop in many ways from school to the end of life. The clearly higher standard of living indeed improves the opportunities of individuals, but it also permits expectations which, if not fulfilled, can bring deep= seated frustrations. And the associated prolonging of life expectancy, with its mobile division of labor and often isolated existence for the individual, has not, contrary to expectations, enchanted the elderly.

That young people cannot escape this dialectical problem of progress seems obvious. Therefore, we must repeat at the end of this study the view that the most important problems facing youth today were already recognizable in the Federal Republic before the onset of the economic crisis and of youth unemployment. The earlier emancipation had helped young people toward independence, but the loss of authority of the older generations led to an increasing gap in intergenerational relations and to an increasing unsettling of the roles of individual youths in this society. The improved standard of living improved life chances but also provided an opportunity for the use of drugs, alcohol, and other means of intoxication among youth well before the first signs of youth unemployment. The evident structural changes occurring today are manifestations of a long-term problem and not the result of an economic crisis.

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